

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis
 Santa Fe, NM 87505

HOBBS OCD
JUN 01 2018

WELL API NO. 30-025-20592
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State 27 (321282)
8. Well Number 1 BW-38
9. OGRID Number 370661 (Pending)
10. Pool name or Wildcat BSW; Salado (96173)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4201' GL

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG A WELL IN A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other - PxA Well Re-entry

2. Name of Operator
Llano Disposal, LLC

3. Address of Operator
P.O. Box 190, Lovington, NM 88260

4. Well Location
 Unit Letter L : 1980 feet from the South line and 660 feet from the West line
 Section 27 Township 16S Range 33E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER:
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING/CEMENT JOB
- OTHER: Re-entry to run CBL, CNL and caliper log
- ALTERING CASING
- P AND A

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

In accordance with discussions with OCD Environmental Bureau, OCD District 1 and SLO, Llano Disposal LLC re-entered this well to inspect casing for possible conversion to a brine supply well pending WQCC Discharge Permit BW-38 approval:

- 4/27/18 - Leveled location, set anchors, dug out around existing PxA marker, MI welder, cut off PxA marker, revealed good 13-3/8" and 9-5/8" casing, installed new casing and well head at ground level.
- 5/14/18 - MIRU pulling unit, NU BOP, unloaded and tallied 2-7/8" workstring, set 2 frac tanks and filled one with FW. MIRU reverse unit, swivel and stripping head, RIH with 8-3/4" skirted MT bit, bit sub, four 4-3/4" DCs and 2-7/8" workstring, drilled cement plug #7 (surface to 30'), plug # 6 (465' - 198') and plug #5 (1600' - 1465') utilizing closed loop system.
- 5/19/18 - Tagged plug #5 at 4511', circulated hole clean, closed BOP, tested casing to 500# for 30 minutes, held. POOH & LD 2-7/8" workstring, DCs, bit sub and bit. ND BOP, install B-1 adaptor, secured and closed in well, RDMO pulling unit, reverse unit and tanks.
- 5/22/18 - MIRU WL, run CBL, CNL and casing caliper log from San Andres cement plug at 4511' to surface, RDMO WL.
- 5/23/18 - Emailed logs (CBL, CNL and caliper log) to OCD Environmental Bureau (SF) and hand delivered hard copies to Paul Kautz at OCD District 1 (Hobbs). Suspend further well work until additional permitting is approved.

Re-entry Spud Date: 5/14/2018

Rig Release Date: 5/19/2018

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE DJ Holcomb TITLE Agent for Llano Disposal, LLC DATE 5/29/2018

Type or print name Danny J. Holcomb E-mail address: danny@pwllc.net PHONE: 806-471-5628

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 06/14/18

Conditions of Approval (if any):