BUREAU OF LAND MAXAGEMENT DURLEAD OF LAND MAXAGEMENT DURLEAD OF LAND MAXAGEMENT DURLEAD SUBMIT IN TRIPLICATE - Other instructions on page 2 If Tops of Well SUBMIT IN TRIPLICATE - Other instructions on page 2 If Unit or CAAgreement, Name and/or N SUBMIT IN TRIPLICATE - Other instructions on page 2 If Unit or CAAgreement, Name and/or N OXY USA INCORPORATED E-Mail: jan), merchingkoy, com DV USA INCORPORATED E-MAIL: DOW DV USA INCORPORATED E-MAIL: JANA MENDIOLA Sec 4 T24S R31E NESE 1980FSL 660FEL EDDY COUNTY, NM DV II Incorrig Sobeguent Report DC Starge Repair DC S		UNITED STATES PARTMENT OF THE INTER		OMB N	APPROVED O. 1004-0137 anuary 31, 2018
Defined use mission for the proposals. <ul> <li>In the init of the proposals.</li> <li>I Thelian, Allotace or Tethe Name</li> </ul> <li>SUBMIT IN TRIPLICATE - Other instructions on page 2         <ul> <li>I'luit or CAAgreement, Name and/or Name and/ Name and/or Name and/</li></ul></li>				5. Lease Serial No.	
Type of Well     Gas Well      Gas Well     Gas     Gas Gas     Gas Gas     Gas Gas     Gas	Do not use th				
© OB Well       GB Well       Observed       SUNDACE FEDERAL 21         ON Well       Context       JANA MENDICIA       9. AFI Well No.         O'Y USA INCORPORATED       E-Mail: janalyn, mendiola@oxy.com       9. AFI Well No.         3a. Attacet       Big Market       10. Field and Pool of Expiratory Area         5a. Attacet       District Test Standard       10. Field and Pool of Expiratory Area         5a. Attacet       District Test Standard       10. Field and Pool of Expiratory Area         5a. Attacet       District Test Standard       11. County or Parith, State         5b. ed. 12. CAECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         © Notice of Intent       O Acidize       Deepen       Production (Star/Resume)       Water Standard         © Notice of Intent       O Acidize       Deepen       Production (Star/Resume)       Water Standard         © Subsequen Report       Convert to Injection       Plug and Abandon       Terperity Abandon       Water Deposition         13. Describe Proposed or Completed Operation: Editivity weil Peritient deally, including entimated starting datar gam opposed work and approximate data while Abandon       Water Deposition and avertiate datard data while Abandon Abandon         14. Describe Proposed or Completed Operatiton times inset to file of abando on the data	SUBMIT IN	TRIPLICATE - Other instructi	ons on page 2	7. If Unit or CA/Agre	ement, Name and/or N
OXY USA INCORPORATED       E-Mail: janalym_mendiole@joxy.com       30-015-29122-00-51         3a. Address       JDISTRICT I/ARTESIA C.C.D.       3b. Phane No. (joide are code)       1b. Find and Peak of Exploratory Area         3d. Address       JDISTRICT I/ARTESIA C.C.D.       3b. Phane No. (joide area code)       1b. SAND DUNES         4. Location of Well       (Poolage, See, T, R, M, or Sarvey Description)       11. County or Parish, State         See 4 T24S R31E NESE 1980FSL 660FEL       EDDY COUNTY, NM         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         II. County or Parish, State         E.Motice of Internt       Acidize         I. Acidize       Descent         I. Subsequent Report       Casing Repair         I. County of Describe Physical Competed Operation. Cherry state all perment deatily, including estimated state of any proposed with ad approximate duation there if the proposed or Completed Operation. Cherry state all perment deatily. Including estimated state of any proposed with ad approximate duation there if the proposed or Completed Operation. Cherry state all perment deatily and approximate duation there if the proposed is to despent deatily on exemption the Bood Mate vertical despti of all there work will be performed or provable the Bood Mate vertical despti of all there with a duation there if the origonial is despent deatily on the loase: Sand Dunes; Delaware, West +         13. Describe Proposed or Completed Operation. Cherr		her			
S GREENWAY PLAZA SUITE 110       Ph: 432-685-5936       SAND DUNES         4 Location of Well (Poolege, Sec. T. R. M. or Survey Description)       II. County or Parish, State         Sec. 4 T24S R31E NESE 1980FSL 660FEL       III. County or Parish, State         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Water Share       Production (Start/Resume)       Water Share         Subsequent Report       Casing Repair       New Construction       Recomplate       Other         Final Abandonment Notice       Casing Repair       Pres workstate       Other       Other         13. Describe Proposed or Completed Operation. Clearly state all pertinent details, induding estimated stating data of any proposed with and approximate duration there testing base channels in a multiple completion on a recompletion on a new interval, a Form 31604 must being on testing base channels, including restantion, have been completed or recompletion on a new interval, a Form 31604 must being on the state and approximate duration there testing base channels, including restantion, have been completed and the operation have determined that the is ready for final inspection.         14. Name(s) of formation(s) producing water on the lease: Sand Dunes; Delaware, West **       Anne to disposal facility. Transfer pump       APR 2 5 2019         5. Operator of disposal facility. Transfer pump       Accessed on the lease on the lease of tormation in barrels per day. 50bbl       DISTRICT I/-ARTESIA O.C.	2. Name of Operator OXY USA INCORPORATED	E-Mail: janalyn_mendiol	a@oxy.com	30-015-29120-	
Sec 4 T24S R31E NESE 1980FSL 660FEL       EDDY COUNTY, NM         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       IYPE OF ACTION         Subsequent Report       Acidize       Decepen       Production (Star/Resume)       Water Shur-O         Subsequent Report       Casing Repair       New Construction       Recumpted       Other         Final Abandonment Notice       Convert to Injection       Plug and Abandon       Temporarily Abandon       Other         Image Plans       Plug and Abandon       Convert to Injection       Plug Back       Water Disposal       Other       Other         Image Plans       Plug and Abandon       Convert to Injection       Plug Back       Water Disposal       Other       Ot	5 GREENWAY PLAZA SUITE	E 110 3b. Ph:		10. Field and Pool or SAND DUNES	Exploratory Area
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA         TYPE OF SUBMISSION       TYPE OF ACTION         Subsequent Report       A cidize       Deepen       Production (Star/Resume)       Water Shur-C         Subsequent Report       Casing Repair       New Construction       Reclamation       Water Shur-C         Final Abandonment Notice       Construction       Plug and Abandon       Other       Other         Final Abandonment Notice       Convert to Injection       Plug and Abandon       Convert to Injection       Plug Back       Water Disposed vork and approximate duration there are the bioteching or consupleton of the molecular samulating view substraftic cations and measurement of all pertinem dates and one Attach the Bond under which the work will be performed or provide the Bond No. on file with BL/MBLA. Required abandon in port 1664 dneed the Bond No. on file with BL/MBLA. Required abandon in the ore the the bioteching and the operator and the bioteching and the bioteching and the operator and the bioteching and the	4. Location of Well (Footage, Sec., 7	C., R., M., or Survey Description)		11. County or Parish	State
TYPE OF SUBMISSION       TYPE OF ACTION            B Notice of Intent <ul> <li>Acidize</li> <li>Deepen</li> <li>Production (Start/Resume)</li> <li>Water Shut-C</li> </ul> Subsequent Report <ul> <li>Casing Repair</li> <li>New Construction</li> <li>Recomplete</li> <li>Other</li> </ul> Subsequent Report <ul> <li>Change Plans</li> <li>Plug and Abandon</li> <li>Temporarily Abandon</li> </ul> 13. Describe Proposed or Complete Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration there <ul> <li>If the proposal is to deepen durectionally give substratice interview in the Middle Completion or all use the filed within 30 days         <ul> <li>Convert to Injection</li> <li>Plug Back</li> <li>Water Should</li> <li>State and period interview of the indivision result is an antigle completion or a new interview of all use the filed within 30 days         <ul> <li>Final Abandonment Notice</li> <li>Interview and the disposal</li> <li>Name(s) of formation(s) producing water on the lease: Sand Dunes; Delaware, West -</li> <li>Amount of water produced from each formation in barrels per day: 50bbi -</li> <li>Approved to disposal facility: Transfer pump -</li> <li>And Dunes SWD #2</li> <li>Operator of disposal facility: Mesquite SWD, Inc.</li> <li>Weil Mare &amp; No: Sand Dunes SWD #2</li> <li>Operator of usposal facility: Mesquite SWD, Inc.</li> <li>Weil Not Mare &amp; Sind Dunes SWD #2</li></ul></li></ul></li></ul>	Sec 4 T24S R31E NESE 198	OFSL 660FEL		EDDY COUNT	Y, NM
Acidize     Acidiae     A	12. CHECK THE A	PPROPRIATE BOX(ES) TO I	NDICATE NATURE OF	NOTICE, REPORT, OR OT	HER DATA
Notice of Intent   Alter Casing Hydraulic Fracturing Reclamation Well Integrity   Final Abandonment Notice Casing Repair New Construction Recomplete Other   13. Describe Proposed or Completed Operation: Clerrly state all performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be performed or provide the Boan under which the work will be an under which and the area the quinemation, including reclamation, have been completed and the operator has determined that the site is ready for final inspection. 1. Name(s) of formation(s) producing water on the lease: Sand Dunes; Delaware, West / 2. Amount of water produced from each formation in barriels per day: 50bbl 4. How water is moved to disposal facility: Transfer pump 5. Operator of disposal facility: Mesquite SWD, IncWell Marme & No: Sand Dunes SWD #2 -Location by 1/4.14 & Section, Township, & Range of disposal system: NESW-8-24S-31E 14. I hereby certify that the foregoing i	TYPE OF SUBMISSION	TYPE OF ACTION			
Subsequent Report	Notice of Intent		Deepen	Production (Start/Resume)	□ Water Shut-C
Final Abandonment Notice     Change Plans     Plug and Abandon     Termporarily Abandon     Convert to Injection     Plug and Abandon     Termporarily Abandon     Convert to Injection     Plug Back     Water Disposal     Convert to Injection     Intermotion     Int		□ Alter Casing	Hydraulic Fracturing	Reclamation	Well Integrity
Convert to Injection     Convert to Injection     Plug Back     Mater Disposal     Convert to Injection     Convert Injection     Convert to Injection     Convert to Injection     Convert Injectin     Convert Injection     Convert Injection     Convert Inject	Subsequent Report	Casing Repair	New Construction	Recomplete	Other
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration there if the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and rue vertical depths of all pertinent markers and zone and the Bond Mone Michael Bond No. on file with BLM/BIA. Required subsequent reports must be filed one testing has been completed. Final Abadoment Notices must be filed one testing has been completed. Final Abadoment Notices must be filed one testing has been completed. Final Abadoment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.         1. Name(s) of formation(s) producing water on the lease: Sand Dunes; Delaware, West // <ul> <li>Amount of water produced from each formation in barrels per day: 50bbl</li> <li>How water is stored on the lease: Water Storage Tanks //</li> <li>How water is moved to disposal facility: Transfer pump //</li> <li>Accepted for Hourson //</li> <li>Approved B No: Sand Dunes; SWD #2</li> <li>Operator of disposal facility: Mesquite SWD, Inc.</li> <li>Well Name &amp; No: Sand Dunes; SWD #2</li> <li>Operator of disposal facility: Mesquite SWD, Inc.</li> <li>Well Name &amp; No: Sand Dunes; SWD #2</li> <li>Operator by 1/4 1/4 Section, Township, &amp; Range of disposal system: NESW-8-24S-31E</li> </ul> <li>         14. Thereby certify that the foregoing is true and correct.         <ul> <li>Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carisbad Committed to AFMSS for processing by PMISCILLA PEREZ on OMI8/2019 (19PP1734SE)</li> <li>Name (Printed</li></ul></li>	Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	
If the proposal is to deepen directionally, or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Porm 3160-4 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Porm 3160-4 must be filed within 30 days following completion, a Porm 3160-4 must be filed within 30 days following completion of the involved operations. If the operator has determined that the site is ready for final inspection.         1. Name(s) of formation(s) producing water on the lease: Sand Dunes; Delaware, West // <ul> <li>Amount of water produced from each formation in barrels per day: 50bbl</li> <li>Amount of water is stored on the lease: Water Storage Tanks //</li> <li>How water is moved to disposal facility: Transfer pump //</li> <li>Approved to disposal facility: Mesquite SWD, Inc.</li> <li>Well Name &amp; No: Sand Dunes SWD #2</li> <li>Location by 1/4 1/4 Section, Township, &amp; Range of disposal system: NESW-8-24S-31E</li> </ul> <ul> <li>DISTRICT II-ARTESIA O.C.D.</li> <li>NMOCD permit number: SWD-1667-A //</li> <li>It is the foregoing is true and correct.</li> <li>Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carisbad</li> <li>Mame (Printed/T)yped) JANA MENDIOLA</li> <li>Title REGULATORY SPECIALIST</li> <li>Mame (Printed/T)yped) JANA MENDIOLA</li> <li>Title REGULATORY SPECIALIST</li> <li>Approved By</li></ul>		Convert to Injection	Plug Back	🛛 Water Disposal	
2. Amount of water produced from each formation in barrels per day: 50bbl 3. How water is stored on the lease: Water Storage Tanks 4. How water is moved to disposal facility: Transfer pump 5. Operator of disposal facility: Mesquite SWD, Inc. •Well Name & No: Sand Dunes SWD #2 1. Occation by 1/4 1/4 Section, Township, & Range of disposal system: NESW-8-24S-31E 1. Occation by 1/4 1/4 Section, Township, & Range of disposal system: NESW-8-24S-31E 1. DISTRICT II-ARTESIA O.C.D. 1. Interference of the foregoing is true and correct. 1. Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILA PEREZ on 04/18/2019 (19PP 17345E) Name (Printed/Typed) JANA MENDIOLA Title Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the gapicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to these rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and willfully to make to any department or agency of the United States and the subject lease which would entitle the applicant to conduct operations thereon.	following completion of the involved testing has been completed. Final A determined that the site is ready for t	d operations. If the operation results in bandonment Notices must be filed onl final inspection.	a a multiple completion or recon y after all requirements, includi	npletion in a new interval, a Form 31 ng reclamation, have been completed	60-4 must be filed onc
<ul> <li>3. How water is stored on the lease: Water Storage Tanks</li> <li>4. How water is moved to disposal facility: Transfer pump</li> <li>5. Operator of disposal facility: Mesquite SWD, Inc.</li> <li>Well Name &amp; No: Sand Dunes SWD #2</li> <li>Location by 1/4 1/4 Section, Township, &amp; Range of disposal system: NESW-8-24S-31E</li> <li>I. I hereby certify that the foregoing is true and correct.</li> <li>Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 04/18/2019 (19PP1734SE)</li> <li>Name (Printed/Typed) JANA MENDIOLA</li> <li>Title REGULATORY SPECIALIST</li> <li>Signature (Electronic Submission)</li> <li>Date 04/11/2019</li> <li>Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant conduct operations thereon.</li> <li>Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United</li> </ul>	1. Name(s) of formation(s) pro	oducing water on the lease: Sa	nd Dunes; Delaware, We	st 🛩	
4. How water is moved to disposal facility: Transfer pump Accepted for Hecord APR 2.5 2019 5. Operator of disposal facility: Mesquite SWD, Inc. •Well Name & No: Sand Dunes SWD #2 •Location by 1/4 1/4 Section, Township, & Range of disposal system: NESW-8-24S-31E Interpret of the prime o				1130/1000	EIVED
5. Operator of disposal facility: Mesquite SWD, Inc. -Well Name & No: Sand Dunes SWD #2 -Location by 1/4 1/4 Section, Township, & Range of disposal system: NESW-8-24S-31E          14. 1 hereby certify that the foregoing is true and correct. Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 04/18/2019 (19PP1734SE)         Name (Printed/Typed) JANA MENDIOLA         Title         REGULATORY SPECIALIST         Signature         (Electronic Submission)         This SPACE FOR FEDERAL OR STATE OFFICE USE which would entitle the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations three.on.         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United			Accepted for	Hecore	
-Well Name & No: Sand Dunes SWD #2 -Location by 1/4 1/4 Section, Township, & Range of disposal system: NESW-8-24S-31E -NMOCD permit number: SWD-1667-A 14. I hereby certify that the foregoing is true and correct. Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PR SCILLA PEREZ on 04/18/2019 (19PP1734SE) Name (Printed/Typed) JANA MENDIOLA Title REGULATORY SPECIALIST Signature (Electronic Submission) Date 04/11/2019 THIS SPACE FOR FEDERAL OR STATE OFFICE USE AFR 1 0 2019 Approved By Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	4. HOW Water is moved to disp			APR	5 2019
Electronic Submission #461946 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 04/18/2019 (19PP1734SE)         Name (Printed/Typed)       JANA MENDIOLA       Title       REGULATORY SPECIALIST         Signature       (Electronic Submission)       Date       04/11/2019         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved By       Title       Date       04/11/2019         Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.       Diffice       BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	5. Operator of disposal facility				
Name (Printed/Typed)       JANA MENDIOLA       Title       REGULATORY SPECIALIST         Signature       (Electronic Submission)       Date       04/1 / 2019         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved By_       Title       Date         Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.       Diffice       BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OF FICE         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section,	es SWD #2 Township, & Range of disposa	l system: NESW-8-24S-3	1E DISTRICT II-A	RTESIA O.C.D.
Signature       Date       04/17/2019         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved By       Title         Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.       Title       BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OF FICE       Date         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. 1 hereby certify that the foregoing i	es SWD #2 Township, & Range of disposa 'D-1667-A s true and correct. Electronic Submission #4619. For OXY USA INC	46 verified by the BLM Well ORPORATED. sent to the	Information System Carlsbad	RTESIA O.C.D.
Signature       Date       04/17/2019         THIS SPACE FOR FEDERAL OR STATE OFFICE USE         Approved By       Title       APR 1.0 2019         Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.       Title       BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE         Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. I hereby certify that the foregoing i	es SWD #2 Township, & Range of disposa D-1667-A s true and correct. Electronic Submission #46194 For OXY USA INC mmitted to AFMSS for processin	16 verified by the BLM Well ORPORATED, sent to the g by PRISCILLA PEREZ or	Information System Carlsbad 04/18/2019 (19PP1734SE)	RTESIA O.C.D.
Approved By	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. I hereby certify that the foregoing i	es SWD #2 Township, & Range of disposa D-1667-A s true and correct. Electronic Submission #46194 For OXY USA INC mmitted to AFMSS for processin	16 verified by the BLM Well ORPORATED, sent to the g by PRISCILLA PEREZ or Title REGUL	Information System Carlsbad I 04/18/2019 (19PP1734SE) ATORY SPECIALIST	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office DIREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. Thereby certify that the foregoing i Con Name (Printed/Typed) JANA ME	es SWD #2 Township, & Range of disposa D-1667-A s true and correct. Electronic Submission #4619 For OXY USA INC mmitted to AFMSS for processin ENDIOLA Submission)	46 verified by the BLM Well ORPORATED, sent to the g by PRISCILLA PEREZ or Title REGUL/ Date 04/17/20	Information System Carlsbad 104/18/2019 (19PP1734SE) ATORY SPECIALIST CCEPTED FOR REC	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. Thereby certify that the foregoing i Con Name (Printed/Typed) JANA ME	es SWD #2 Township, & Range of disposa D-1667-A s true and correct. Electronic Submission #4619 For OXY USA INC mmitted to AFMSS for processin ENDIOLA Submission)	46 verified by the BLM Well ORPORATED, sent to the g by PRISCILLA PEREZ or Title REGUL/ Date 04/17/20	Information System Carlsbad 104/18/2019 (19PP1734SE) ATORY SPECIALIST CCEPTED FOR REC	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. I hereby certify that the foregoing i Con Name (Printed/Typed) JANA ME Signature (Electronic	es SWD #2 Township, & Range of disposa D-1667-A s true and correct. Electronic Submission #4619 For OXY USA INC mmitted to AFMSS for processin ENDIOLA Submission)	46 verified by the BLM Well ORPORATED, sent to the g by PRISCILLA PEREZ or Title REGUL/ Date 04/17/20 EDERAL OR STATE 0	Information System Carlsbad 104/18/2019 (19PP1734SE) ATORY SPECIALIST CCEPTED FOR REC DFFICE USE APR 1 8 2019	
	-Well Name & No: Sand Dune -Location by 1/4 1/4 Section, -NMOCD permit number: SW 14. 1 hereby certify that the foregoing i Con Name (Printed/Typed) JANA ME Signature (Electronic Approved By Conditions of approval, if any, are attach certify that the applicant holds legal or ec	es SWD #2 Township, & Range of disposa D-1667-A s true and correct. Electronic Submission #4619 For OXY USA INC mmitted to AFMSS for processin NDIOLA Submission) THIS SPACE FOR F ed. Approval of this notice does not w uitable title to those rights in the subj	46 verified by the BLM Well ORPORATED, sent to the g by PRISCILLA PEREZ or Title REGULA Date 04/17/20 EDERAL OR STATE O Title	Information System Carlsbad 104/18/2019 (19PP1734SE) ATORY SPECIALIST CCEPTED FOR REC DFFICE USE APR 1 8 2019 BUREAU OF LAND MANAGEM	Date ENT

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<sup>(1 page 2)</sup> \*\* BLM REVISED \*\*

# Additional data for EC transaction #461946 that would not fit on the form

#### 32. Additional remarks, continued

-Operator of disposal facility: Mesquite SWD, Inc. -Well Name & No: Sand Dunes SWD #1 - Location by 1/4 1/4 Section, Township, & Range of disposal system: SESW-5-24S-31E -NMOCD permit number: SWD-1697 ✓

-Operator of disposal facility: Mesquite SWD, Inc.

-Well Name & No: Mesa Verde SWD #3 -Location by 1/4 1/4 Section, Township, & Range of disposal system: SESW-13-24S-31E -NMOCD permit number: SWD-1696-A.

-Operator of disposal facility: Mesquite SWD, Inc. -Well Name & No: Station SWD #1 - Location by 1/4 1/4 Section, Township, & Range of disposal system: SENW-7-24S-32E -NMOCD permit number: SWD-1558 ~

-Operator of disposal facility: Solaris Water Midstream, LLC -Well Name & No: Mad Cow SWD #1

- Location by 1/4 1/4 Section, Township, & Range of disposal system: NESE-12-24S-30E -NMOCD permit number: SWD-1755,

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Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Administrative Order SWD-1667-A December 8, 2017

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Mesquite SWD, Inc. (the "operator") seeks an administrative order for its Sand Dunes SWD Well No. 2 ("subject well") with a location of 2600 feet from the South line and 2500 from the West line, Unit K of Section 8, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

This order amends the disposal interval approved under Administrative Order SWD-1667 (dated February 23, 2017) by including a portion of the Montoya formation. However, the geologist stated that the Montoya formation is dense and will not accept fluids. Next, the injection interval, and corresponding injection pressure have changed. Finally, this order changes the tubing configuration in the well. This order supersedes Administrative Order SWD-1667 which is rescinded.

#### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

#### IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc. (OGRID 161968), is hereby authorized to utilize its Sand Dunes SWD Well No. 2 (API 30-015-44131) with a location of 2600 feet from the South line and 2500 from the West line, Unit K of Section 8, Township 24 South, Range 31 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through an open hole interval consisting of the Devonian, Silurian, and Montoya formations from 16547 feet to approximately 17920 feet.

Injection will occur through internally-coated, 5-1/2-inch or smaller tubing inside the surface and intermediate casings, and a 4-1/2-inch or smaller tubing inside the liner and a packer set within 100 feet of the top of the open-hole interval.

Administrative Order SWD-1667-A Mesquite SWD, Inc. December 8, 2017 Page 2 of 3

This permit does not allow disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation.

### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as proposed in the application and, if necessary, as modified by the District Supervisor.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3309 psi**, <u>but</u> <u>may be modified by the Division Director following the completion of the initial Step-Rate Test.</u> In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject. Administrative Order SWD-1667-A Mesquite SWD, Inc. December 8, 2017 Page 3 of 3

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

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DAVID R. CATANACH Director

### DRC/mam

cc: Oil Conservation Division – Artesia District Office Bureau of Land Management – Carlsbad Well file – 30-015-44131

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Administrative Order SWD-1697 October 10, 2017

# ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Mesquite SWD, Inc. (the "operator") seeks an administrative order for its Sand Dunes SWD Well No. 1 ("proposed well") with a location of 260 feet from the South line and 2053 from the West line, Unit N of Section 5, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

### **IT IS THEREFORE ORDERED THAT:**

The applicant, Mesquite SWD, Inc. (OGRID 161968), is hereby authorized to utilize its Sand Dunes SWD Well No. 1 (API 30-015-pending) with a location of 260 feet from the South line and 2053 from the West line, Unit N of Section 5, Township 24 South, Range 31 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through an open hole interval consisting of the Devonian and Silurian formations from 16620 feet to approximately 18010 feet.

Injection will occur through either an internally-coated, 5-1/2-inch or smaller tubing inside the surface and intermediate casings, and a 4-1/2-inch or small tubing inside the liner. Further, a packer shall be set within 100 feet of the uppermost perforation.

This permit does not allow disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of

Administrative Order SWD-1697 Mesquite SWD, Inc. October 20, 2017 Page 2 of 3

depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as proposed in the application and, if necessary, as modified by the District Supervisor.

The operator shall circulate the cement behind the casing to surface for all surface and intermediate casings.

The operator shall run a CBL (or equivalent) across the 7-5/8-inch liner from 500 feet above the liner to the bottom of the liner to demonstrate a good cement across to demonstrate a good cement across the liner and good cement bond across the 9-5/8-inch casing.

If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District II and the operator shall be required to receive written permission prior to commencing disposal.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District II office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3324 psi**, <u>but</u> <u>may be modified by the Division Director following the completion of the initial Step-Rate Test.</u> In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient Administrative Order SWD-1697 Mesquite SWD, Inc. October 20, 2017 Page 3 of 3

evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

DAVID R. CATANACH Director

DRC/mam

cc: Oil Conservation Division – Artesia District Office Bureau of Land Management - Carlsbad Administrative Application – pMAM1727834407

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Administrative Order SWD-1696-A October 12, 2018

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Mesquite SWD, Inc. (the "operator") seeks an administrative order for its Mesa Verde SWD Well No. 3 ("proposed well") with a location of 1030 feet from the South line and 2635 from the West line, Unit N of Section 13, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

This proposed salt water disposal well's location was selected with collaboration from OXY USA, Inc, to not interfere with future development in the vicinity. As a result, the proposed salt water disposal well is within 10 feet of a governmental unit boundary.

This Order approves a request for an increase in tubing size and supersedes Division Order SWD-1696 issued on October 20, 2017.

#### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

#### IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc. (OGRID 161968), is hereby authorized to utilize its Mesa Verde SWD Well No. 3 (API 30-015-44676) with a location of 1030 feet from the South line and 2635 from the West line, Unit N of Section 13, Township 24 South, Range 31 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through an open-hole interval consisting of the Devonian and Silurian formations from 16620 feet to approximately 17820 feet. Injection will occur through internally-coated, 5½-inch or smaller tubing inside the 75%-inch liner and a packer set within 100 feet of the top of the open-hole interval.

This permit does not allow disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

## IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as proposed in the application and, if necessary, as modified by the District Supervisor or the Bureau of Land Management.

The operator shall circulate the cement behind the casing to surface for all surface and intermediate casings.

The operator shall run a CBL (or equivalent) across the 7%-inch liner from 500 feet above the liner to the bottom of the liner to demonstrate a good cement across to demonstrate a good cement across the liner and good cement bond across the 9%-inch casing.

If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District II and the operator shall be required to receive written permission prior to commencing disposal.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District II office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of

Administrative Order SWD-1696-A Mesquite SWD, Inc. October 12, 2018 Page 3 of 4

water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

If the disposal well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Division Director shall require the well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Division Rule 19.15.26.10 NMAC, and the well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

The wellhead injection pressure on the well shall be limited to **no more than 3324 psi**, <u>but</u> <u>may be modified by the Division Director following the completion of the initial Step-Rate Test.</u> In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The disposal authority granted herein shall terminate on October 20, 2019, if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the Administrative Order SWD-1696-A Mesquite SWD, Inc. October 12, 2018 Page 4 of 4

operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

**HEATHER RILEY** Director

HR/prg

cc: Oil Conservation Division – Artesia District Office Bureau of Land management – Carlsbad Field Office Well file 30-015-44676

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David R. Catanach, Division Directo Oil Conservation Division



Administrative Order SWD-1558 June 26, 2015

#### ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Mesquite SWD, Inc. (the "operator") seeks an administrative order for its proposed Station SWD Well No. 1 with a proposed location 2625 feet from the North line and 2315 feet from the West line, Unit letter F of Section 7, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, for commercial disposal of produced water.

#### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

#### IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc. (OGRID 161968) is hereby authorized to utilize its proposed Station SWD Well No. 1 (API No. 30-025-Pending) with a proposed location 2625 feet from the North line and 2315 feet from the West line, Unit letter F of Section 7, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, for commercial disposal of oil field produced water (UIC Class II only) through an open-hole interval within the Silurian and Devonian formations from approximately 16470 feet to approximately 17975 feet. Injection shall occur through internally-coated tubing and a packer set a maximum of 100 feet above the top of the open-hole interval.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formations are open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

The operator shall run a CBL (or equivalent) from the bottom of the 7-5/8-inch liner through the 9-5/8 intermediate casing to the surface. This will ensure good cement across the 7-5/8-inch liner through the 9-5/8 intermediate casing. Further, this will ensure that the 9-5/8 intermediate casing has a good cement through the portions that contain the DV tools. The

1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3440 • Fax (505) 476-3462 • email: www.emnrd.state.nm.us/ocd Administrative Order SWD-1558 Mesquite SWD, Inc. June 26, 2015 Page 2 of 3

operator shall provide a copy of the log(s) to Division's District I office prior to commencing injection.

Within one year after commencing disposal, the operator shall submit to the Division copies of an injection survey run on this well consisting of a temperature log, or equivalent, run under representative disposal rates.

Failure to comply with any of the requirements detailed above shall result ipso-facto in the loss of injection authority approved by this order.

#### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed in the application and any required modifications of construction as required by the Bureau of Land Management.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3294 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. The operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District I office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Administrative Order SWD-1558 Mesquite SWD, Inc. June 26, 2015 Page 3 of 3

Without limitation on the dutics of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any disposal well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

DAVID R. CATANA Director

DRC/mam

cc:

Oil Conservation Division – Hobbs District Office Bureau of Land Management – Carlsbad Field Office Administrative Application pMAM1505850332

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Administrative Order SWD-1755 September 28, 2018

## ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Solaris Water Midstream, LLC (the "operator") seeks an administrative order for its Mad Cow SWD Well No. 1 (the "proposed well") with a location of 2441 feet from the South line and 1135 feet from the East line, Unit letter I of Section 12, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

### THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Division Rule 19.15.5.9 NMAC.

<u>Application for Disposal in Devonian and Silurian Formations:</u> Due to the potential for the projected injection volume of the proposed well to impact an area greater than the one-half mile radius applied in Division Form C-108 and Division rule, the applicant has provided the following supplementary information:

- 1. Notification following Division Rule 19.15.26.8(B) NMAC for a radius of one mile from the surface location of the proposed well;
- 2. An expanded Area of Review for wells penetrating the disposal interval for a radius of one mile from the surface location of the proposed well; and
- 3. A statement by a qualified person assessing the potential of induced-seismic events associated with the disposal activities for the predicted service life of the proposed well.

### IT IS THEREFORE ORDERED THAT:

The applicant, Solaris Water Midstream, LLC (OGRID 371643), is hereby authorized to utilize its Mad Cow SWD Well No. 1 (API 30-015-45204) with a location of 2441 feet from the South line and 1135 feet from the East line, Unit letter I of Section 12, Township 24 South, Range 30 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through open-hole completion into an interval consisting of the Devonian and Silurian formations from approximately 16420 feet to approximately 17550 feet. Injection will occur through internally-

coated, 5-inch or smaller tubing within the 7<sup>5</sup>/<sub>8</sub>-inch liner with a packer set within 100 feet of the top of the disposal interval. This permit does not allow disposal into:

- 1. The Woodford Shale and formations above the lower contact of the Woodford Shale;
- 2. Formations below the Silurian formations including the Montoya formation and the Ellenburger formation (lower Ordovician); and
- 3. Any lost circulation intervals directly on top and obviously connected to these formations.

<u>The well design shall be modified to increase the tie-in between the 7%-inch liner and the</u> <u>9%-inch intermediate casing from 100 feet to 200 feet. The operator shall file a Sundry Notice</u> Form C-103 for this change with the Division's District II for approval.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District II and the operator shall be required to receive written permission prior to commencing disposal.

If cement does not circulate on any casing string, the operator shall run a cement bond log (CBL) or other log to determine top of cement and shall notify the Artesia District with the top of cement on the emergency phone number prior to continuing with any further cement activity with the proposed well. If cement did not tie back in to next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe.

The operator shall run a CBL (or equivalent) across the 7%-inch liner from 500 feet above the liner to the bottom of the liner to demonstrate placement cement across the length of the liner and the cement bond with the tie-in with the next shallower casing string. The operator shall provide a copy of the CBL to the Division's District II prior to commencing disposal.

Prior to commencing disposal, the operator shall obtain a bottom-hole pressure measurement representative of the open-hole completion. This information shall be provided with the written notice of the date of commencement of disposal.

#### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as described in the application and, if necessary, as modified by the District Supervisor.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage

in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

If the disposal well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Division Director shall require the well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Division Rule 19.15.26.10 NMAC, and the well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

The wellhead injection pressure on the well shall be limited to **no more than 3284 psi.** In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable step-rate test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations that includes number of days of operation, injection volume, and injection pressure on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

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The disposal authority granted herein shall terminate one (1) year after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

HEATHER RILEY Director

HR/prg

cc: Oil Conservation Division – Artesia District Office Well file 30-015-45204