

From: [Goetze, Phillip, EMNRD](#)
To: [Shelly Cowden](#)
Cc: [Gebremichael, Million, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [David Grounds](#)
Subject: UIC Questions
Date: Wednesday, August 16, 2023 3:23:00 PM

Good afternoon, Ms. Cowden. In response to your questions on specific UIC permits and applications:

Cedar Canyon SWD No. 1; Administrative Order SWD-1872

This application was submitted twice. The original assignment of pending UIC permit number was SWD-1840 with a surface location of UL B-Sec 1-T24S-R29E. This location was protested by XTO Energy, Inc. on October 24, 2018. This application was withdrawn by the Applicant on April 17, 2020. A second C-108 application assigned the pending UIC permit number SWD-1872 was submitted on December 17, 2018, with a new surface location (1602' FNL & 2368' FEL; UL G-Sec 1-T24S-R29E). Currently in pending status with no protests. Applicant assigned a "Priority 3" or lowest priority for processing when OCD requested ranking of outstanding OWL applications (applicant e-mail dated April 20, 2020). As a result, neither admin complete review of technical review has been performed on this application.

Czervik SWD No. 1; Administrative Order SWD-1841

The administrative order was approved on September 10, 2020. The UIC permit expired on September 10, 2021, without commencing injection within the one-year period and without submitting a written request for extension within the one-year period.

Goodbye Toby SWD No. 1; Administrative Order SWD-1688

The administrative order was approved on August 14, 2017. The UIC permit contained a two-year period to commence injection with a compliance date of August 14, 2019. Applicant provided the first extension request on July 24, 2019, but OCD did not issued an extension letter. Applicant provided a second extension request on August 3, 2020. OCD honored the first request as approved and continued the permit's authority with the second extension to commence injection by August 14, 2021. The UIC permit expired on August 14, 2021, without commencing injection within the second extension one-year period and without submitting a written request for an additional extension.

The Office SWD No. 1; Administrative Order SWD-2032

The administrative order was approved on November 9, 2020. The UIC permit expired on November 9, 2021, without commencing injection within the one-year period and without submitting a written request for extension within the one-year period.

Of the four UIC matters, three were approved UIC permits that were allowed to lapse. The first item, the Cedar Canyon, has opportunity for continued administrative review but may require some additional notice.

How can an operator take a non-commercial saltwater disposal well and make it a commercial SWD?

This item is still being reviewed. Though not contained (defined) in NMAC, the classification of

commercial rose from the steady increase of midstream operators as the primary applicant for disposal wells replacing the historical applicants of oil and gas E&P companies as owner/operators. The category was used to track UIC permits to address information requests from the legislature and the public on these type of operations. But there are conditions in UIC permits which may limit capacity and source of disposal. Usually referred to "lease only" or "operator only" sources, some permits which are hearing orders may have restriction as conditions while some administratively approved UIC permits may include source or volume restrictions as a condition for withdrawal of a protest. Additionally, OCD reviews the original application of the UIC permit for intended purpose for the disposal. My recommendation is to submit a request for a specific well along with the proposed changes in operation.

Please contact with any questions on the content of the e-mail. PRG

From: Shelly Cowden <Shelly.Cowden@pilotwater.com>

Sent: Tuesday, August 15, 2023 1:34 PM

To: Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>

Cc: Gebremichael, Million, EMNRD <Million.Gebremichael@emnrd.nm.gov>; Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>; David Grounds <David.Grounds@pilotwater.com>

Subject: RE: [EXTERNAL] UIC Questions

Hi Phil.

I hope you're doing well. Thank you for the response. I do know your team is short staffed and working hard.

Here is an Administrative Order for each of the permits that have fallen stagnant. Please let me know what is needed to get these permits moving forward.

- Cedar Canyon SWD #1 – unable to locate an order Number
- Czervik SWD #1 Administrative Order SWD - 1841
- Goodbye Toby SWD #1 Administrative Order SWD - 1688
- The Office SWD #1 Administrative Order SWD - 2023

Thank you,
Shelly Cowden

From: Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>

Sent: Friday, August 11, 2023 4:08 PM

To: Shelly Cowden <Shelly.Cowden@pilotwater.com>

Cc: Gebremichael, Million, EMNRD <Million.Gebremichael@emnrd.nm.gov>; Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>

Subject: RE: [EXTERNAL] UIC Questions

CAUTION: External Sender Email: Use caution with links / attachments.

Good afternoon Ms. Cowden. Just an update that your questions are still being considered. Also, the pending workover NOI for the Maralo Sholes No. 2 (30-025-09806) is being reviewed. Hopefully,

there will be some results next week. PRG

From: Shelly Cowden <Shelly.Cowden@pilotwater.com>
Sent: Thursday, July 27, 2023 9:26 AM
To: Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>
Subject: [EXTERNAL] UIC Questions

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Morning Mr. Goetze,
My name is Shelly Cowden, NM Regulatory Manager Pilot Water Solutions (started, Monday, July 24, 2023), I left a message with you on Monday, July 24, 2023. I understand it can be difficult to return and follow-up on voicemails.

My questions are as follows:

How can an operator take a non-commercial saltwater disposal well and make it a commercial SWD?

Pilot/Owl has several old permits in different stages of approval/review (roughly 2017). Is there a possibility to get these permits processing again? If so, whom would you suggest I can work with on those projects?

- Cedar Canyon
- Czervik
- Goodbye Toby
- The Office

Thank you,



Shelly Cowden
NM Regulatory Manager
20 Greenway Plaza, Suite 500
Houston, TX. 77046
Cell: 505-692-0354
Shelly.cowden@pilotwater.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 254895

CONDITIONS

Operator: OWL SWD OPERATING, LLC 20 Greenway Plaza Houston, TX 77046	OGRID: 308339
	Action Number: 254895
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
pgoetze	None	8/21/2023