From: <u>ben sosconsulting.us</u>
To: <u>Goetze, Phillip, EMNRD</u>

Cc: Gebremichael, Million, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Fuge, Dylan, EMNRD;

Tremaine, Jesse, EMNRD

Subject: [EXTERNAL] RE: Solaris Water Midstream - Carleton SWD #1

Date: Monday, February 5, 2024 3:37:01 PM

Attachments: image012.png

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Thank you, Phillip,

I'll provide this information to Solaris.

Still, with regards to the Gold Coast, Lauren Bean had emailed you some information indicating that they could not determine where the numbers for the 3 months in 2022 came from because, their tracking data indicates the well pressure was below permitted pressures for those months. She inquired as to how the record might be amended yet has not received a response.

I would also note that while I understand OCD can only act upon data and information as filed, the EPA Level 1 violation for 3 consecutive months never generated a Notice of Violation so Solaris was unaware that erroneous numbers had been filed until all the compliance issues were exposed while trying to file paperwork on its Carleton SWD.

On the North Lusk, I indicated in a previous email that the well is currently TA'd, showing as 'Approved' in the well file yet that has not caught up with the compliance reporting portion of OCD's system.

Solaris has a few people, including myself, that have responded as quickly as possible and worked to correct whatever deficiencies. We've asked for guidance but received no replies. We have no expectation that anyone at OCD would drop what they're doing — we know everyone is busy, but the courtesy of a quick reply would let us know that something has been received or is being looked at and considered.

I hate to be a thorn in anyone's side (or other location) and am sorry that six people might take a moment from their day to read this. Perhaps the legislature will provide some new FTEs this goround.

Thank you,



Ben Stone, Partner 21 Red Oak Circle Point Blank, TX 77364

C: 903-335-3368 O: 936-377-5696

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

Sent: Monday, February 05, 2024 2:27 PM

To: ben sosconsulting.us <ben@sosconsulting.us>

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

Fuge, Dylan, EMNRD <Dylan.Fuge@emnrd.nm.gov>; Tremaine, Jesse, EMNRD

<JesseK.Tremaine@emnrd.nm.gov>

Subject: Solaris Water Midstream - Carleton SWD #1

Good morning, Mr. Stone. Thank you for providing the information regarding Solaris' attempts to address their compliance issues. As of this morning, Solaris Water Midstream, LLC (OGRID 371643), still was not in compliance with the inactive well requirement showing four inactive wells for a total of 37 wells. With this, all considerations on pending C-108 applications remain suspended since approval of the UIC permits require the applicant to be in compliance with Part 5.9. The UIC Group will continue to monitor and assist in processing the C-103 Subsequent Reports for those activities identified in this email where approval will address the inactive well count. Once this status has changed, the Group will resume the processing of C-108 applications that Solaris has pending.

As to the Gold Coast SWD matter, EPA regards injection pressure in excess of the permitted MSIP a Level I violation. What is more concerning to the OCD is the fact that this occurred in a disposal well in the Delaware Mountain Group, an interval with an established occurrence of low formation parting pressures. The content of the C-115 has been identified in rule and the UIC permit as the report of record for the determination of compliance for the well's operation within permit parameters. Hopefully, Solaris can improve the quality of the reporting as to avoid future issues.

Please contact should you have any questions on the content of this email or the processing of applications. PRG

From: ben sosconsulting.us < ben@sosconsulting.us >

Sent: Monday, February 5, 2024 9:19 AM

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

Subject: [EXTERNAL] RE: Tubing Size Increase Request - Solaris Water Midstream - Carleton SWD #1

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May we please get a reply?

Thank you.



Ben Stone, Partner 21 Red Oak Circle

C: 903-335-3368 O: 936-377-5696

Point Blank, TX 77364

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From: ben sosconsulting.us

Sent: Wednesday, January 31, 2024 2:32 PM

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

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

EMNRD' <<u>Justin.Wrinkle@emnrd.nm.gov</u>>; 'Powell, Brandon, EMNRD'

<<u>Brandon.Powell@emnrd.nm.gov</u>>

Subject: RE: Tubing Size Increase Request - Solaris Water Midstream - Carleton SWD #1

Good afternoon, all,

I just want to touch base on the perceived issues that Solaris had. Their staff has made a concerted effort to address everything and are waiting to hear on...

- Gold Coast pressure reporting errors from 2022 Lauren Bean addressed this via email does OCD need anything else to rectify the reports and/ or records?
- 2. North Lusk SWD C-108 was filed in September and the well was recently approved for TA MIT and documented in the well file.
- 3. Other P&A sundries filed... understand that the full cycle of site inspections/ final approval may take a little while.
- **4.** Finally, Solaris is hoping that OCD has enough that they may at least file a new C-103 NOI sundry to do the tubing change.

The issue(s) was noted by OCD as a [non] compliance concern but hopefully, their actions and responses are enough to satisfy OCD that they aren't realistically out of compliance in a physical (well operations) sense, rather delinquency in filing, or time constraints processing, posting, approvals or whatever.

Solaris is committed to responsible operations, including providing the needed service to its clients while meeting all required regulatory stipulations. Solaris is a large organization, so they too occasionally deal with new personnel training in their offices and field locations and strive to meet all its obligations.

We're asking OCD to please let us know if anything else is required for the above-mentioned items and whether Solaris staff may move forward with planned field actions on the Carleton SWD - beginning with filing the sundry NOI while OCD processes the new permit in the latest format.

Any information is greatly appreciated along with OCD staffs' efforts.

Thank you, Ben



Ben Stone, Partner 21 Red Oak Circle

C: 903-335-3368 O: 936-377-5696

Point Blank, TX 77364

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From: ben sosconsulting.us

Sent: Thursday, January 25, 2024 3:42 PM

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

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

Subject: RE: Tubing Size Increase Request - Solaris Water Midstream - Carleton SWD #1

Good afternoon, Phillip,

Solaris informed me that C-103Qs have been submitted for the Eddy State (action ID 344900) and the Eta Fajita (action ID 306862) – both were just submitted, so they were somewhat delinquent in getting those filed. There was some miscommunication internally as to which party was filing what, but they're working to make sure that doesn't continue. The Bebidas had a 103P submitted on 12/07/2023 (action ID 292316) and the North Lusk 32 had a new C-108 submitted last September (action ID 262022).

In any event, I don't think the compliance situation is as dire as initially thought. I, and the Solaris team, are committed to getting everything up to date and keeping OCD apprised.

Please let me know if there is anything else required at this time.

Thank you, Ben





Ben Stone, Partner 21 Red Oak Circle Point Blank, TX 77364

C: 903-335-3368 O: 936-377-5696

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

Sent: Tuesday, January 23, 2024 12:00 PM

To: ben sosconsulting.us < ben@sosconsulting.us >

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

Subject: Tubing Size Increase Request - Solaris Water Midstream - Carleton SWD #1

RE: Carleton SWD No. 1; (30-015-44419); SWD-1689

Good morning Mr. Stone. Thank you for providing the information for the request by Solaris on the tubing size increase for the reference well. OCD will take the application under consideration and will contact you if additional information is required. As Million mentioned, the process for "amending" the order is still being finalized and may appear as a new order in the new UIC template format to replace the older existing administrative order. However, OCD's ability to offer approval on this matter is impeded by Solaris being in noncompliance. As of the date of your email, Solaris is identified with three (3) wells on the inactive well list for a total well count of 37 wells. This inactive count exceeds the terms of 19.15.5.9(A)(4)(a) NMAC and the OCD database does not contain an ACOI or ACO for Solaris. Specific items and comments you might bring to your client's attention:

- SOLARIS EDDY STATE #2 (30-015-44001): the well has lost its injection authority under 19.15.26.12(C)(1) NMAC. The well has had an approved plugging NOI since 10/7/2022 with a COA for completion of the plugging by 10/7/2023. There is no indication that the plugging activities commenced.
- 2. NORTH LUSK 32 STATE SWD #1 (30-025-41525): the well has lost its injection authority under 19.15.26.12(C)(1) NMAC. The previous submittal for TA status was rejected on 8/24/2023. What is Solaris's intent with a well that has no beneficial use (UIC permit)?
- 3. BEBIDAS 16 STATE SWD #1 (30-015-25518): the well has lost its injection authority under 19.15.26.12(C)(1) NMAC. It had an injection in the Delaware Mountain Group (DMG) and had an operational history of injection with exceedance of MSIP. The well has an approved plugging plan (approved 10/26/2023) but should shortly appear in the inactive well count continuing to complicate this issue.
- 4. EATA FAJITA 8 STATE SWD #1 (30-025-40845): the well has lost its injection authority under 19.15.26.12(C)(1) NMAC. The well has an approved plugging plan (approved

1/9/2023) yet there is no indication that the well is scheduled to be plugged.

5. GOLD COAST 26 FEDERAL SWD #1 (30-025-41570): an operating Class II disposal well in the DMG. Though not on the inactive count list, this well caught my attention since it is showing a pattern that would indicate the reservoir is pressuring up. The permitted MSIP is 980 psi while the C-115 for September 2022 reports a maximum pressure of 1009 psi, the C-115 for October 2022 reports a maximum pressure of 1119, and the C-115 for November 2022 reports a maximum pressure of 1077 psi.

Again, OCD will provide a response on the request but is limited to providing approval until Solaris has some resolution to well count. Please contact me with any questions on this content or any of the items discussed. Thank you for your time in this matter. PRG

From: Gebremichael, Million, EMNRD < Million.Gebremichael@emnrd.nm.gov >

Sent: Monday, January 22, 2024 2:46 PM

To: ben sosconsulting.us < ben@sosconsulting.us >; Goetze, Phillip, EMNRD

<phillip.goetze@emnrd.nm.gov>

Subject: RE: [EXTERNAL] Tubing Size Increase Request - Solaris Water Midstream - Carleton SWD #1...

Hello Mr. Stone,

Before we proceed "swiftly "with the application, we need to sort out whether a new authorization to inject order is required. I inquired with the applicant to sort out the inconsistency and I will revert this to our manager Phillip Goetze for his decision.

Thanks,

Million Gebremichael

Petroleum Specialist- A
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Cell: 505-4791137



From: ben sosconsulting.us < ben@sosconsulting.us >

Sent: Monday, January 22, 2024 2:37 PM

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

< Million. Gebremichael@emnrd.nm.gov >

Subject: [EXTERNAL] Tubing Size Increase Request - Solaris Water Midstream - Carleton SWD #1...

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Phillip and Million,

Good afternoon.

Solaris contacted me to assist them in straightening out the UIC SWD permit for its Carleton SWD #1. I believe Lauren Bean has visited (emailed) with Million about the issue. I found some oddities in the well file that cause me to believe that this well was probably originally configured by Delaware Energy, LLC w/ 5.5" tubing even though the permit (SWD-1689) specified 4.5" tubing.

I don't think Solaris was aware of the situation until the recent denial of their sundry request to run new tubing.

Anyway, all is thoroughly explained in the attached request and supported with various exhibits including several OCD forms that had been filed on this well over the years.

Solaris is requesting that a review and approval please proceed swiftly as they've previously committed to the project by scheduling equipment and personnel assignments, without understanding there was ever an issue.

Please let me know if you have any questions.

Best regards, Ben

Ben Stone, Partner

21 Red Oak Circle Point Blank, TX 77364

C: 903-335-3368 O: 936-377-5696

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District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

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 341961

CONDITIONS

Operator:	OGRID:
SOLARIS WATER MIDSTREAM, LLC	371643
9651 Katy Fwy	Action Number:
Houston, TX 77024	341961
	Action Type:
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
mgebremichae	None	5/8/2024