

Protested SWD Application

By 3R Operating
Received 9/15/2026

From: [Sandoval, Stacy, EMNRD](#)
To: ben@sosconsulting.us; [Dana S. Hardy](#)
Cc: [Goetze, Phillip, EMNRD](#); [Harris, Anthony, EMNRD](#); [Doug, Delilah, EMNRD](#); [Chavez, Carl, EMNRD](#); [Cordero, Gilbert, EMNRD](#); [Wrinkle, Justin, EMNRD](#)
Subject: McIlwee SWD No. 1, Unit D, Section 26, Township 24 South, Range 26 East, Eddy County, New Mexico SWD Notice of Protest
Date: Wednesday, September 23, 2026 9:32:00 AM
Attachments: [image001.png](#)

Greetings Mr. Stone,

On September 15, 2026, 3R Operating (“3R”) notified the New Mexico Oil Conservation Division (“OCD”) that it is protesting the following SWD application of LilyStream Water Solutions, LLC:

- McIlwee SWD No. 1, Unit D, Section 26, Township 24 South, Range 26 East, Eddy County, New Mexico

3R is identified as an affected person for the referenced application. For the application to proceed, LilyStream Water Solutions, LLC has two options: either resolve the matter with the protesting party or go to hearing before the Division. If the protest is withdrawn, then the application can be processed administratively. Meanwhile, OCD will retain your application until a resolution is reached on the status of the submittal. If you have any questions, please don’t hesitate to reach out to the UIC group.

Thank you,

Stacy Sandoval

Petroleum Specialist

Stacy.Sandoval@emnrd.nm.gov



From: [Dana S. Hardy](#)
To: [Engineer, OCD, EMNRD](#)
Cc: [Dana S. Hardy](#); [Brian van Staveren](#); [Jaclyn M. McLean](#)
Subject: [EXTERNAL] 3R Operating Objection to LilyStream McIlwee SWD #1
Date: Tuesday, September 15, 2026 1:53:09 PM
Attachments: [image001.png](#)
[image002.png](#)
[LilyStream Water Solutions.pdf](#)

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

Good afternoon,

I'm writing on behalf of 3R Operating (3R) to notify the Oil Conservation Division that 3R objects to the C-108 that LilyStream Water Solutions LLC has submitted for its McIlwee SWD #1. 3R is an affected party, as it acquired interests previously held by Murchison, and operates wells within this area. As reflected on the attached correspondence, the notice was sent to Murchison rather than 3R.

Please let me know if you require any additional information.

Best regards,

Dana



Dana S. Hardy
Senior Managing Partner

Phone: 505-230-4426

Email: dhardy@hardymclean.com

Web www.hardymclean.com

125 Lincoln Avenue, Suite 223, Santa Fe, NM 87501



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August 31, 2026

NOTIFICATION TO INTERESTED PARTIES
via U.S. Certified Mail – Return Receipt Requested

To Whom It May Concern:

LilyStream Water Solutions, Lovington, New Mexico, has made application to the New Mexico Oil Conservation Division to permit for salt water disposal the McIlwee #1 SWD. The SWD operation will be for commercial water disposal from area operators. As indicated in the notice below, the well is located in Section 26, Township 24 South, Range 26 East in Eddy County, New Mexico.

The published notice states that the interval will be from 12,342 feet to 13,732 feet into the Devonian and Silurian formations. Following is the notice published in the Artesia Daily Press, Artesia, New Mexico on or about August 19, 2026.

LEGAL NOTICE

LilyStream Water Solutions LLC, 1308 West Ave N, Lovington, NM 88260, is filing Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for commercial saltwater injection into its McIlwee SWD #1. The proposed well will be located 31' FNL & 53' FWL in Section 26, Township 24 South, Range 26 East, Eddy County, New Mexico; approximately 12 miles SW of Loving, NM.

Produced water from area production will be commercially disposed via injection into the Devonian-Silurian formations at depths of 12,342'–13,732', with a maximum surface injection pressure of 2,468 psi (0.2 psi/ ft). Maximum daily injection rate will be 30,000 bwpd and an average rate of 17,500 bwpd.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice or when the application is filed to OCD's e-Permitting system (pursuant to rules and regs) or otherwise, when OCD posts the application to its online system and deemed 'Administratively Complete'. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (936) 367-5950, info@sosconsulting.us.

You have been identified as a party who may be interested as an offset lessee or operator.

You are entitled to a full copy of the application. SOS Consulting has deployed a new app for the explicit secure delivery of a full PDF copy of the application. Any user employed with **Murchison** may log into the system and when prompted for a *Document Access Code*, enter **4059WD** to View or Download the document as desired. Using the *SOS Client and Affected Party Document Access* app takes about one minute, start to finish – instructions are included, and only name, email and company name are needed to access the system.

Thank you for your attention in this matter.

Best regards,

Ben Stone, SOS Consulting, LLC
Agent for LilyStream Water Solutions, LLC
Cc: Application File

User Information for the SOS Client & Affected Party Portal

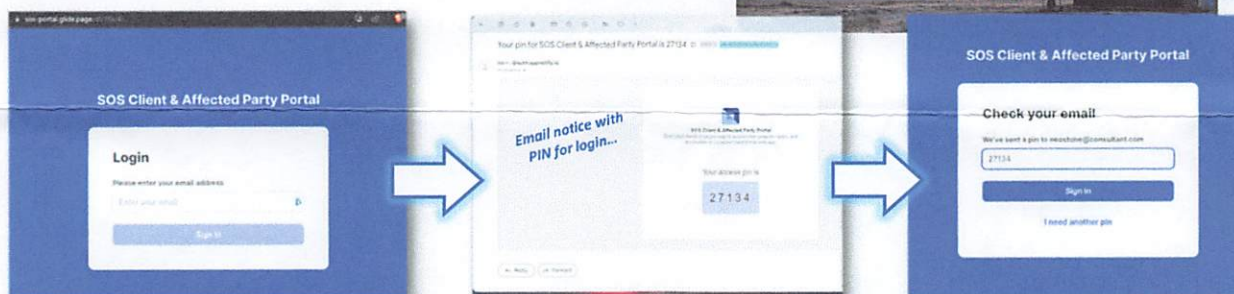
Thank you for using the new SOS Document Portal. This system allows for the **secure delivery of all types of applications and any resulting permits**. The system is built in and stored in the cloud using the best available platforms and code for a secure and robust app. We hope you appreciate our efforts to reduce printed paper copies and deliver pertinent documents in a much more efficient way. If you're a client, you may use the portal to view all the applications that SOS Consulting, LLC has generated on behalf of you or your organization.

1

Open the SOS Consulting website at: www.sosconsulting.us

Click the **App Icon** in the upper right corner of the screen...

The secure **SOS Client & Affected Party Portal** site will open...



2

Become a user of the site by entering your email address and basic info for your profile – minimal information is required although we ask that you provide your company name so we may view who and which companies have reviewed a particular document.

(Please note that nothing is done with your information – it is only for access to this portal.)

Each time you log into the SOS Portal, you will be sent a pin code for **2-Step Verification** to your email within 10 seconds. Enter the code for access to the portal.

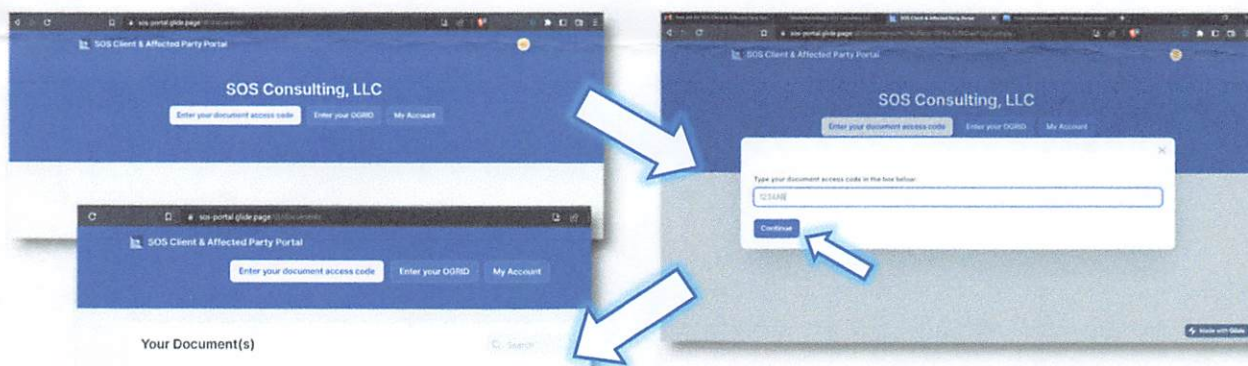


MOBILE ACCESS

3

The SOS portal will open to your user page or the portal home. If you don't see this screen, simply click on the SOS Client & Affected Party title and the home page will open. This page allows you to enter a '**Document Access Code**' or if a client, '**Enter your OGRID**'. (When entering an OGRID, you will also be prompted for a Client ID for security – SOS Consulting will have already provided this to its clients.)

Note: The unique Document Access Code is provided in your 'Notice Letter to Affected Parties'.



4

Click the '**Continue**' button and your document will open – click on the thumbnail image and you can '**View**' or '**Download**' the document.

Any number of users in your organization may use the same Document Access Code after signing in with their email address!

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 627419

CONDITIONS

Operator: NEW MEXICO ENERGY MINERALS & NATURAL RESOURCE 1220 S St Francis Dr Santa Fe , NM 87504	OGRID: 264235
	Action Number: 627419
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
stacy.sandoval	None	9/23/2026