

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 21, 2017**

CASE No. 15911

RUSTLER BREAKS SWD No. 3 WELL

EDDY COUNTY, NEW MEXICO

***BLACK RIVER WATER
MANAGEMENT COMPANY, LLC***



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1695
September 15, 2017

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, Black River Water Management Company, LLC (the "operator") seeks an administrative order for its proposed Rustler Breaks SWD Well No. 3 (API No. 30-015-44303) to be located 1798 feet from the South line and 1624 feet from the East line, Unit J of Section 24, Township 23 South, Range 27 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 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, Black River Water Management Company, LLC (OGRID 371287) is hereby authorized to utilize its proposed Rustler Breaks SWD Well No. 3 (API No. 30-015-44303) to be located 1798 feet from the South line and 1624 feet from the East line, Unit J of Section 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) through an open-hole interval within Devonian formation from approximately 13,650 feet to approximately 14,494 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. Injection will occur through either an internally-coated, 4-1/2-inch or smaller tubing and a packer 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 Engineering Bureau 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 well construction proposed in the application and any required modifications of construction as required by the Division.

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 the 7-5/8-inch liner, and good bond between the liner and the 10-3/4-inch casing.

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 2730 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 Division Director retains the right to require at any time the operator to 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 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 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.

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 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 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

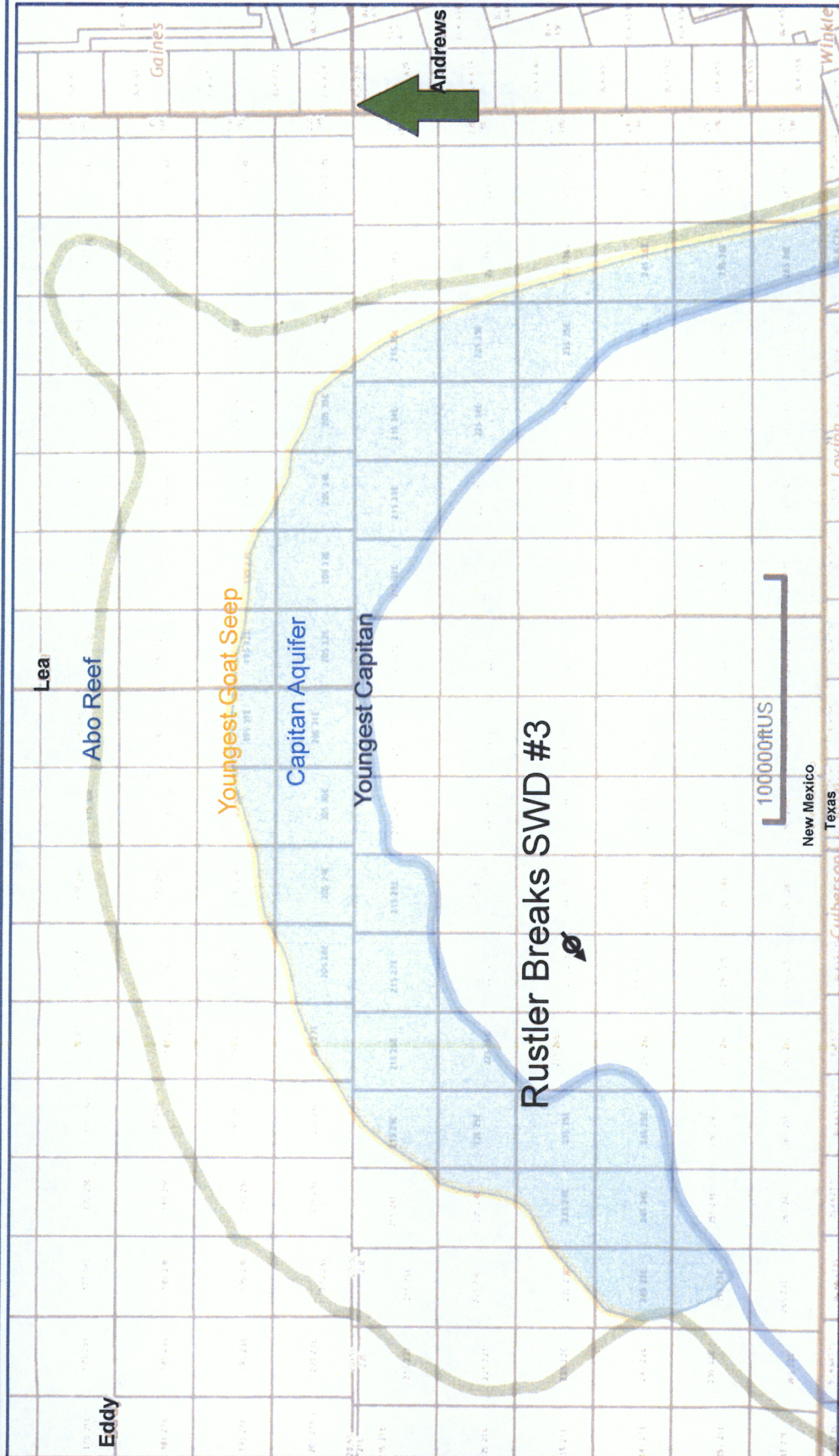
cc: Oil Conservation Division – Artesia
Well File - 30-015-44303

Why Increase from 4-1/2" to 5-1/2" Tubing?

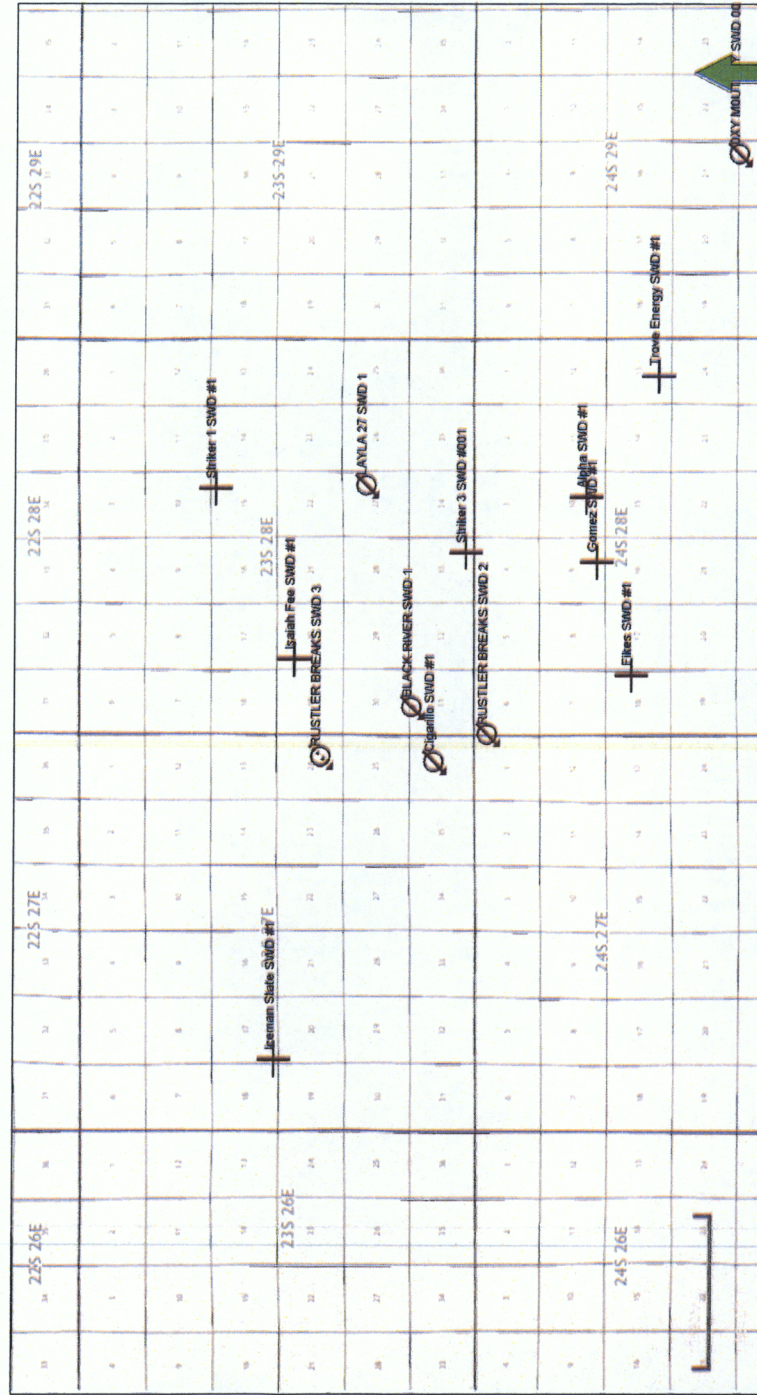
- 85% of surface injection pressure is due to friction in the 4-1/2" tubing
- Increasing tubing size will allow higher injection volumes at or below current surface pressure levels
- Increasing tubing size, with higher injection volumes, will reduce surface impact with fewer disposal wells



Rustler Breaks SWD #3 Locator Map **Section 24, Township 23 South, Range 27 East**



**Rustler Breaks SWD #3 Locator Map with Nearby Devonian SWD's
Section 24, Township 23 South, Range 27 East**



Symbol Legend

Active SWD

Planned SWD (Drilled)

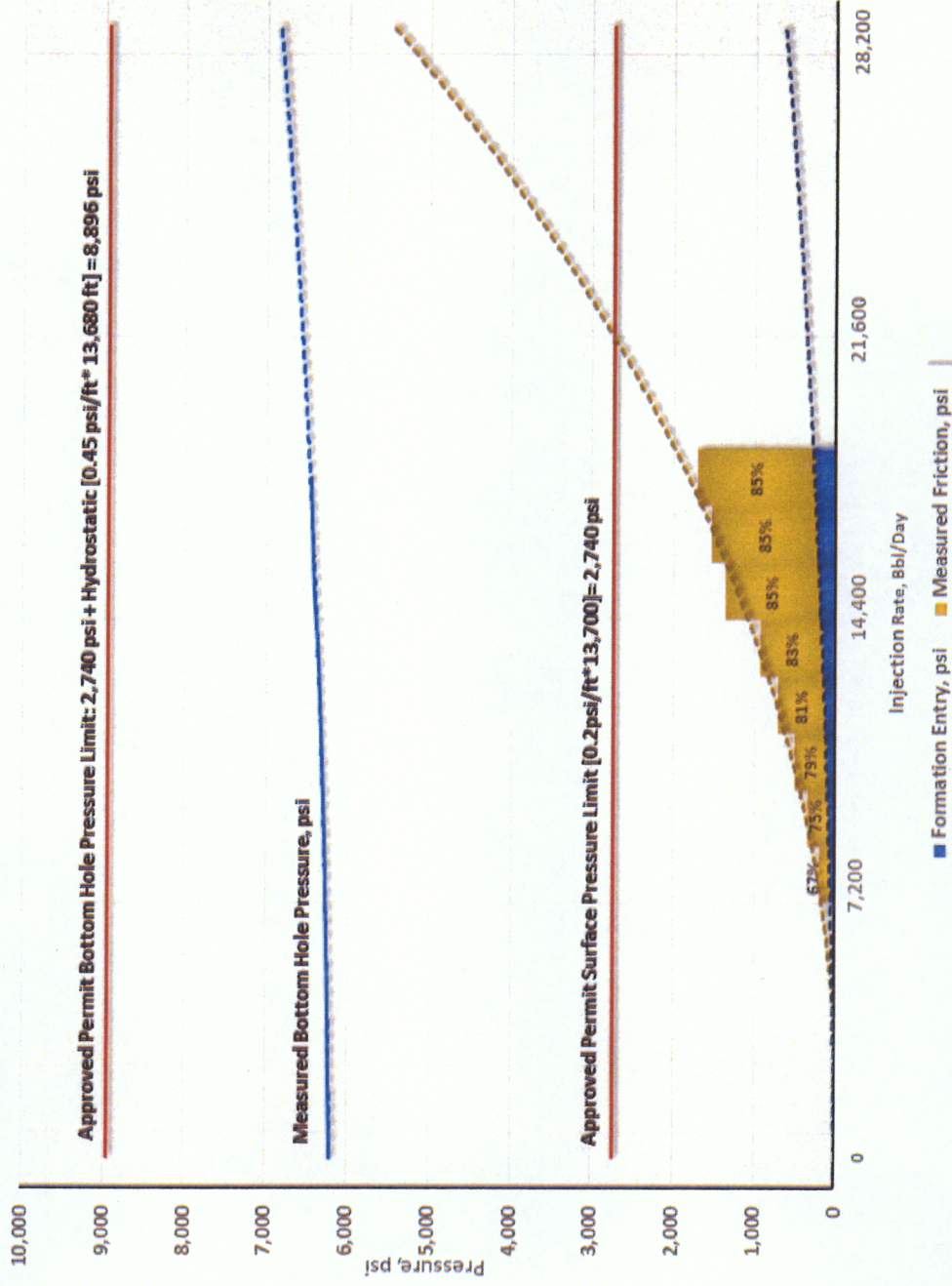
Currently Drilling

Planned/Permitted Location



[illegible]

Step-Rate Injection Test – from Analog Devonian SWD Approx. 1 mile away

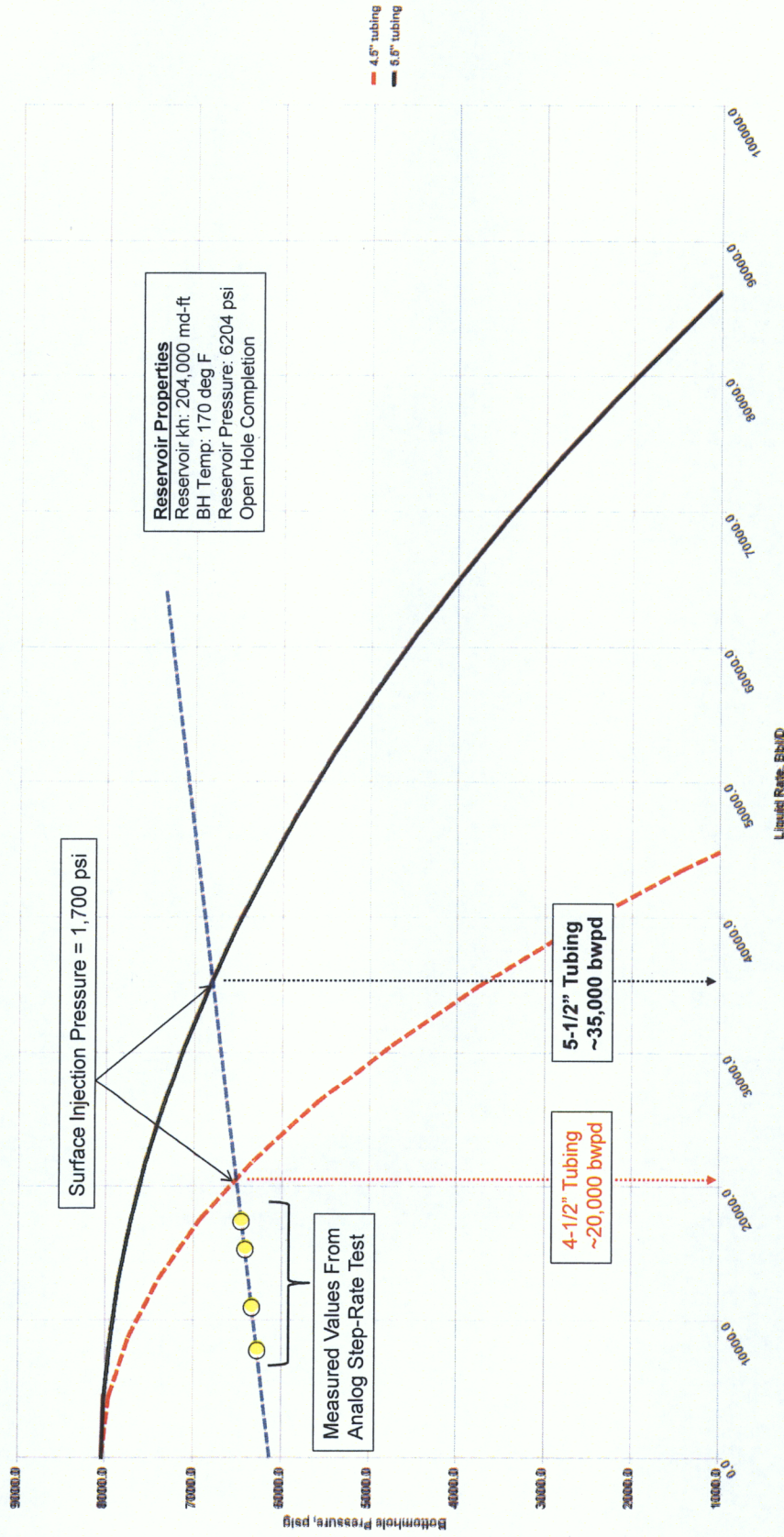


From an injection/falloff test, tubular friction was measured. Reservoir parameters such as k-h and pressure were ascertained.

This data was used to generate Nodal Analyses evaluations for multiple tubular sizes and injection rates. This data was also used to study pore pressure impact.



Increasing Tubing Size will Decrease Friction and Surface Injection Pressure, Allowing Larger Volumes of Water Injection Nodal Analysis of 4-1/2" & 5-1/2" Tubing Pressure



Devonian SWD Numerical Reservoir Simulation

▪ Assumptions

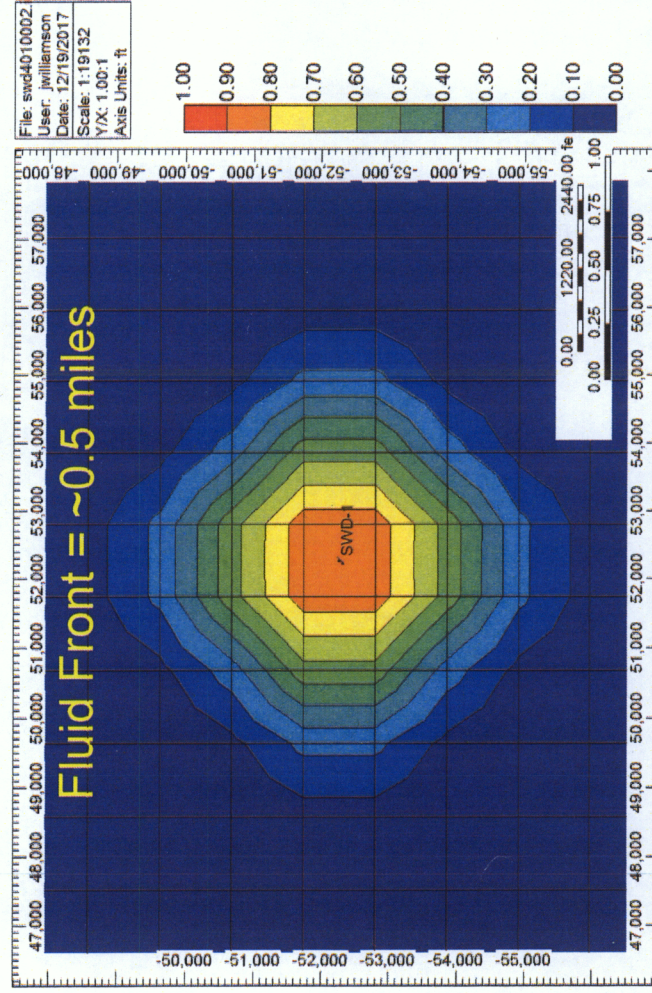
- Injection Rate
 - 40,000 bbls/day
- Formation Thickness
 - 1,000' 5 1/2" tubing down to 13,000' TVD with open-hole from 13,000' TVD to 14,000' TVD
- Injection Time: 20 years
- Initial Reservoir Pressure: 5,865 psia @ top of reservoir
- Depth to Top of Reservoir: 13,000' TVD
- Reservoir Pressure Gradient: 0.45 psi/ft
- Initial Reservoir Temperature: 253°F
- Porosity: 6%
- Permeability: 150 md
- Initial Water Saturation: 100%
- Dimensions of Reservoir Grid: 100 blocks x 100 blocks x 1 layer (20 miles x 20 miles)



Injection of 40,000 bbls/day Into 1,000' zone with 150 md

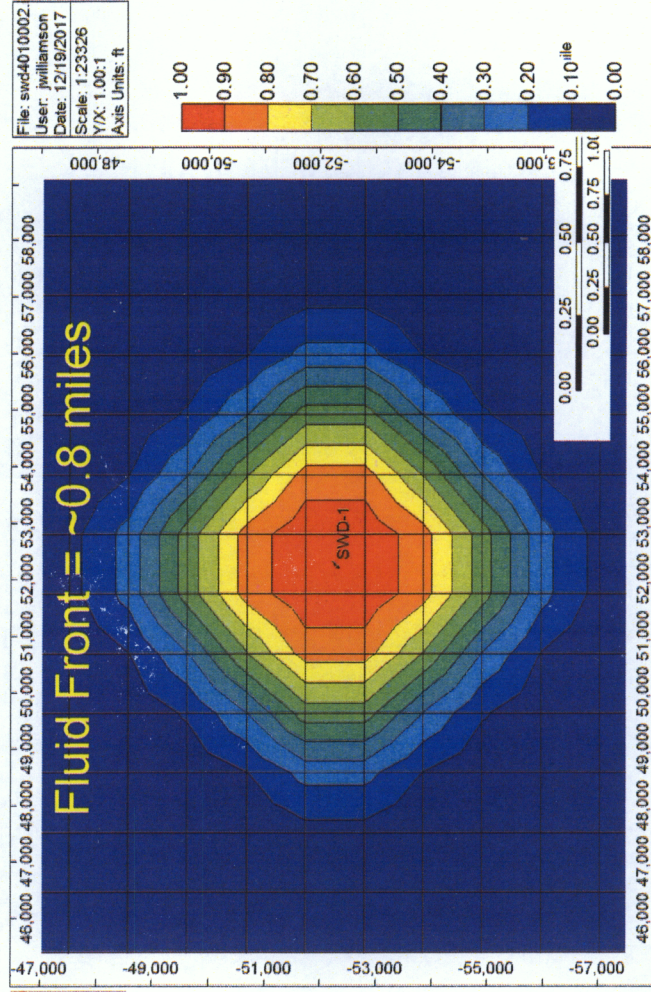
After 10 years

Injected Water

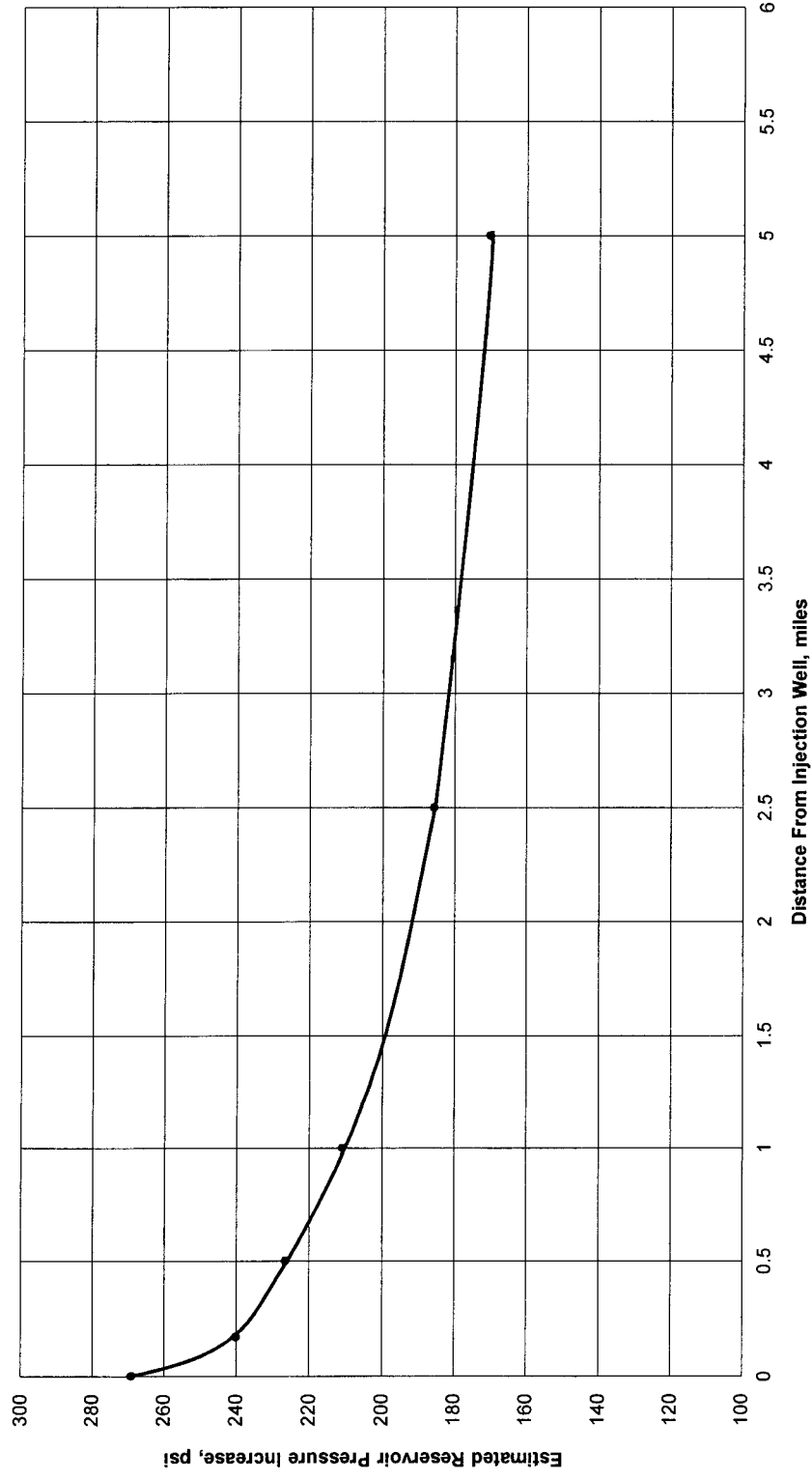


After 20 years

Injected Water

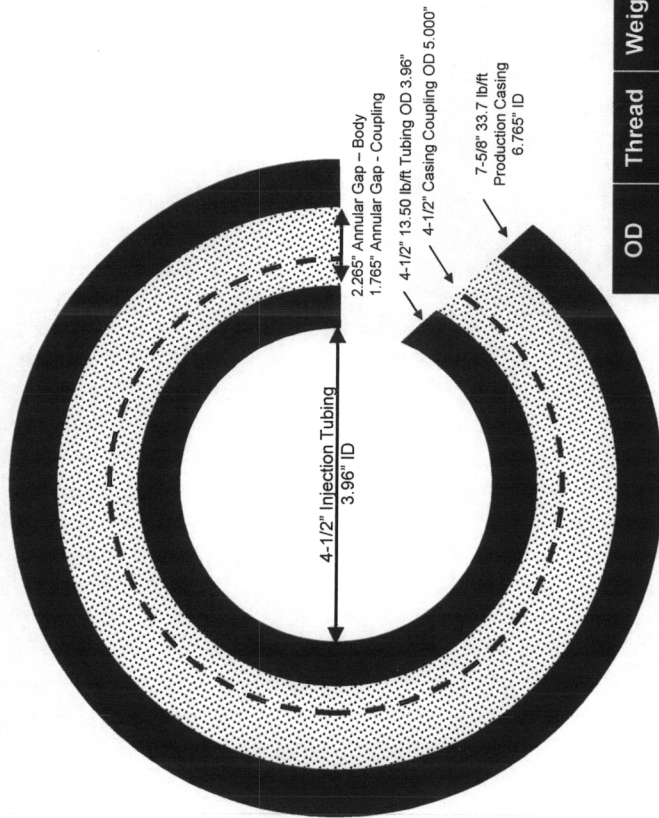


Estimated Reservoir Pressure Increase After 20 Years @ 40,000 bbls/day

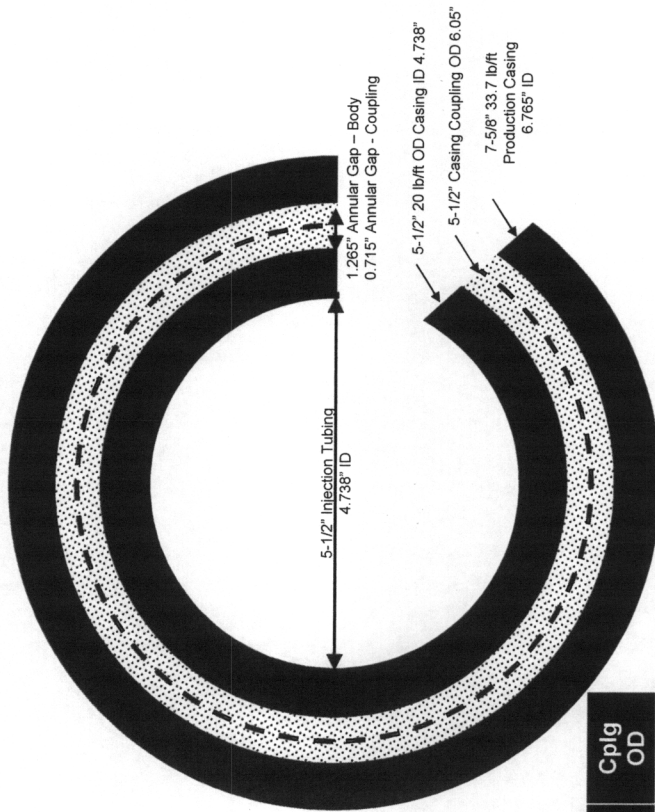


Rustler Breaks SWD #3 **Cross-Sectional Comparison Inside 7-5/8" Casing**

4-1/2" Tubing x 7-5/8" Casing



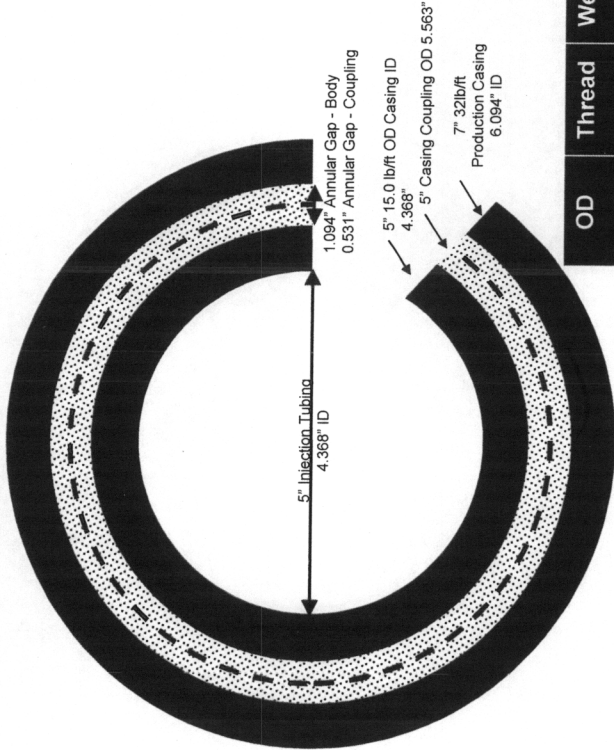
5-1/2" Tubing x 7-5/8" Casing



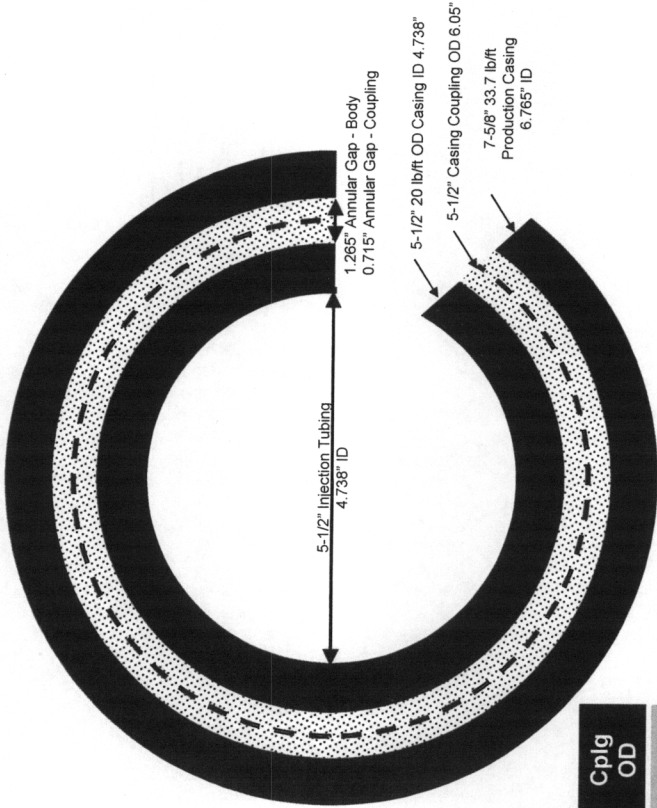
OD	Thread	Weight	ID	Cplg OD
4-1/2"	BTC	11.60 lb/ft	3.96"	5.000"
5-1/2"	BTC	20.0 lb/ft	4.738"	6.05"
7-5/8"	BTC	33.7 lb/ft	6.765"	8.5"

Cross-Sectional Comparison with 5" Tubing inside 7" Casing and 5-1/2" Tubing inside 7-5/8" Casing

5" Tubing x 7" Casing



5-1/2" Tubing x 7-5/8" Casing

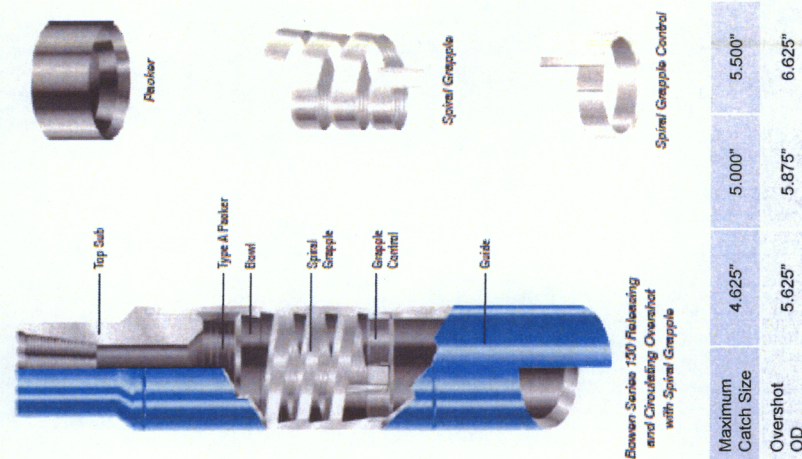


OD	Thread	Weight	ID	Cplg OD
5"	BTC	15.0 lb/ft	4.368"	5.563"
5-1/2"	BTC	20.0 lb/ft	4.738"	6.05"
7"	BTC	32.0 lb/ft	6.094"	7.875"
7-5/8"	BTC	33.7 lb/ft	6.765"	8.5"

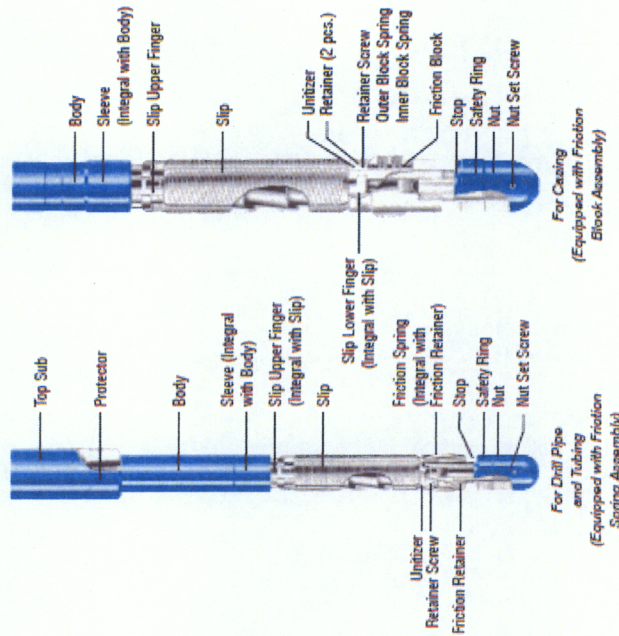


5-1/2" tubing inside 7-5/8" 33.7 lb/ft Casing can be Fished with Conventional Fishing Tools

Overshot & Spear Tools to Fish 5-1/2" Casing



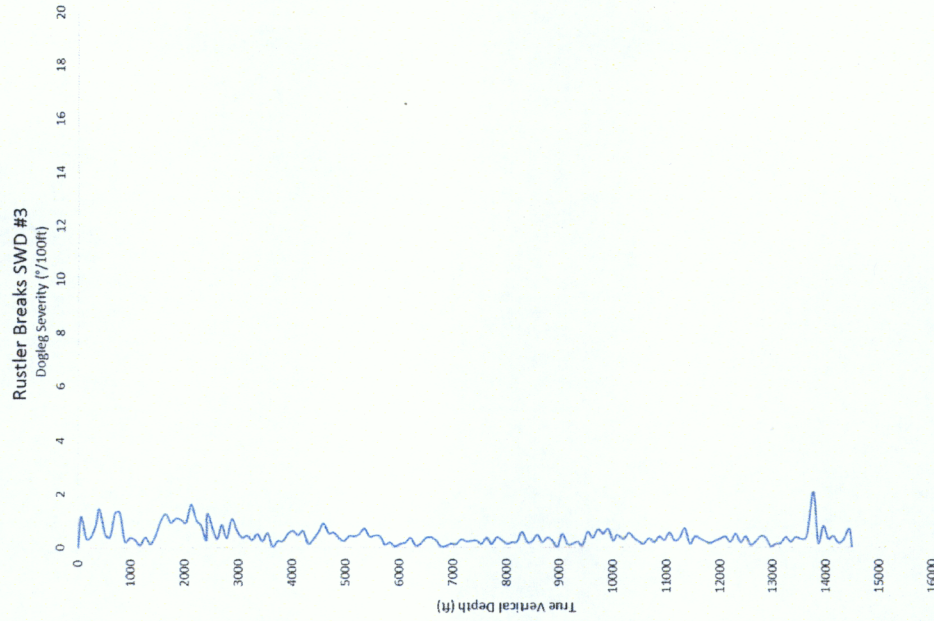
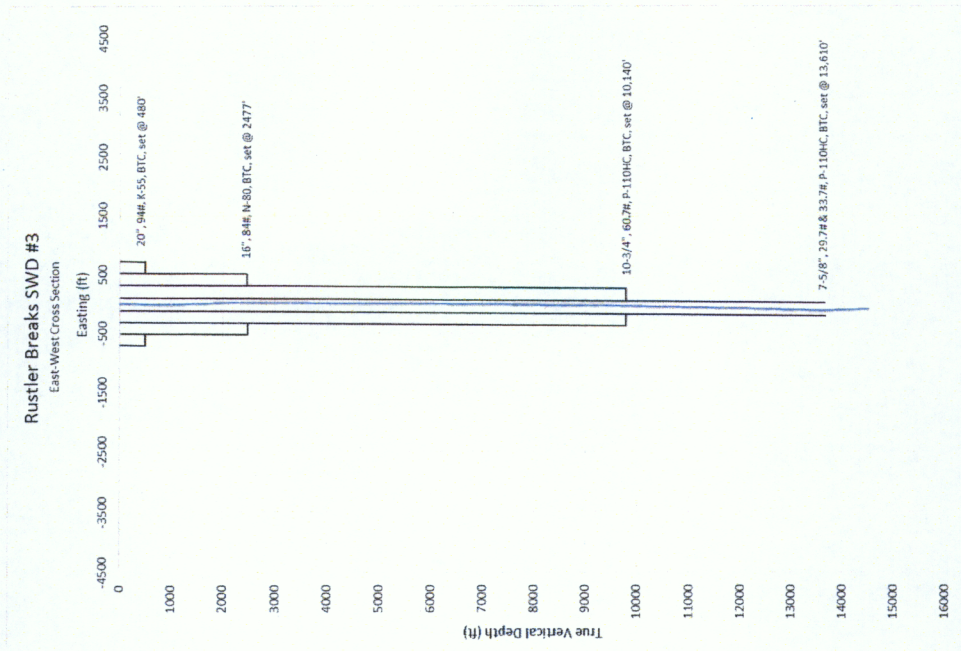
Maximum Catch Size	4.625"	5.000"	5.500"
Overshot OD	5.625"	5.875"	6.625"



Nominal Size	4.500"	5.000"	5.500"
Catch Range	4-3/4" - 5"	5"	5-1/2"
Retracted Diameter	3-25/32"	4"	4-1/2"



Rustler Breaks SWD #3 Wellbore Deviation Fishing in Deviated Hole Not an Issue



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 14

Submitted by:

BLACK RIVER WATER MNGT CO, LLC

Hearing Date: December 21, 2017

**APPLICATION OF BLACK RIVER WATER
MANAGEMENT COMPANY, LLC TO
AMEND ADMINISTRATIVE ORDER SWD-
1695 FOR A SALT WATER DISPOSAL WELL
IN EDDY COUNTY, NEW MEXICO.**

AFFIDAVIT

Adam G. Rankin, attorney in fact and authorized representative of Black River Water Management Company, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

10528873

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 15
Submitted by:
BLACK RIVER WATER MNGT CO, LLC
Hearing Date: December 21, 2017

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

December 1, 2017

VIA CERTIFIED MAIL

CERTIFIED RECEIPT REQUESTED

TO: AFFECTED PARTIES

**Re: Application of Black River Water Management Company, LLC to Amend
Administrative Order SWD-1695 for a Salt Water Disposal Well Located in
Eddy County, New Mexico.
Rustler Breaks SWD No. 3 Well**

Ladies & Gentlemen:

This letter is to advise you that Black River Water Management Company, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on December 21, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Dana Arnold at (972) 371-5284 or darnold@matadorresources.com.

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR BLACK RIVER WATER
MANAGEMENT COMPANY, LLC**

Holland & Hart^{LLP}

Phone [505] 988-4421 **Fax** [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen, Boulder, Carson City, Colorado Springs, Denver, Denver Tech Center, Billings, Boise, Cheyenne, Jackson Hole, Las Vegas, Reno, Salt Lake City, San Francisco, Seattle, Washington

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
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For delivery information, visit our website at www.usps.com

OFFICE Rustler Breaks SWD No. 3 Well
Case No. 15911

Postmark Here

DEC 01 2017

PROBITY SWD, LLC
PO Box 996
Big Lake, TX 76932

PS Form 3800, April 2015 PSN: 7550-02-000-9053 See Reverse for Instructions

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OFFICE Rustler Breaks SWD No. 3 Well
Case No. 15911

Postmark Here

DEC 01 2017

PROBITY SWD, LLC
PO Box 7307
Midland, TX 79708

PS Form 3800, April 2015 PSN: 7550-02-000-9053 See Reverse for Instructions

U.S. MAIL

COMPLETE THIS SECTION ON DELIVERY

1. Article Addressed to:

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

PROBITY SWD, LLC
PO Box 996
Big Lake, TX 76932

2. Article Number (Transfer from service label)

7017 1450 0002 1697 2778

PS Form 3811, July 2015 PSN 7550-02-000-9053

3. Service Type

☒ Adult Signature
☒ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☒ Certified Mail Restricted Delivery
☒ Collect on Delivery
☒ Collect on Delivery Restricted Delivery
☒ Insured Mail[®]
☒ Mail Restricted Delivery

☐ Priority Mail Express[®]
☐ Registered Mail[™]
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation[™]
☐ Signature Confirmation Restricted Delivery

A. Signature
X *Heather Lee* ☒ Agent ☐ Addressee

B. Received by (Printed Name) **C. Date of Delivery**

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below: ☐ Yes ☐ No

*See Notice (Tracking)
Attached.*

USPS Tracking®

[FAQs > \(http://faq.usps.com/?articleId=220900\)](http://faq.usps.com/?articleId=220900)

Track Another Package +

Tracking Number: 70171450000216972785

Remove X

Your item could not be delivered on December 19, 2017 at 8:09 am in MIDLAND, TX 79708. It was held for the required number of days and is being returned to the sender.

Alert

December 19, 2017 at 8:09 am
UNCLAIMED/BEING RETURNED TO SENDER
MIDLAND, TX 79708

Get Updates ▼

Text & Email Updates

Tracking History

Product Information

See Less ^

Can't find what you're looking for?

Go to our **FAQs** (<http://faq.usps.com/?articleId=220900>) section to find answers to your tracking questions.

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CERTIFIED MAIL® RECEIPT
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For delivery information, visit usps.com

OFFICIAL COPY
SWD No. 3 Well
Case No. 15911

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

USPS
MARATHON OIL PERMIAN LLC
555 San Felipe St.
Houston, TX 77056

Postmark Here
PS Form 3800, April 2015 PSN 7530-02-000-9053
See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit usps.com
Rustler Breaks SWD No. 3 Well
Case No. 15911

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

MEWBOURNE OIL CO
4801 Business Park Blvd.
PO Box 5270
Hobbs, NM 88240
City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9053
See Reverse for Instructions

MAILED MAIL

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

MARATHON OIL PERMIAN LLC
555 San Felipe St.
Houston, TX 77056



9590 9402 2949 7094 5856 44

Article Number (Transfer from service label)
7017 1450 0000 8377 6400

PS Form 3811, July 2015 PSN 7530-02-000-9053

REMI-VER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MEWBOURNE OIL CO
4801 Business Park Blvd.
PO Box 5270
Hobbs, NM 88240



9590 9402 2949 7094 5856 68

2. Article Number (Transfer from service label)
7017 1450 0000 8377 6417

PS Form 3811, July 2015 PSN 7530-02-000-9053

SECTION (M) DELIVERY

A. Signature
x Marcos Caneel
B. Received by (Printed Name)
Marcos Caneel
C. Date of Delivery
12-5-17
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Collect on Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
Mail
Mail Restricted Delivery

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x Jackie Lathan
B. Received by (Printed Name)
Jackie Lathan
C. Date of Delivery
12/6/17
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery
Mail
Mail Restricted Delivery

Domestic Return Receipt

70127 1450 0000 0547 2102

U.S. Postal Service[™]

CERTIFIED MAIL[®] RECEIPT

Domestic Mail Only

For delivery information, visit [usps.com](#)

OFFICE

Certified Mail Fee \$

Rustler Breaks SWD No. 3 Well
Case No. 15911

APR 11 3 44 PM 87507

☒ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery

CHEVRON U.S.A INC
6301 Deauville Blvd.
Midland, TX 79706

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9004

See Reverse for Instructions

See Notice (tracking)
Attached.

USPS Tracking®

[FAQs > \(http://faq.usps.com/?articleId=220900\)](http://faq.usps.com/?articleId=220900)**Track Another Package +****Tracking Number:** 70171450000083776424

Remove X

Your item has been delivered to the mail room at 4:20 pm on December 4, 2017 in MIDLAND, TX 79706.

Delivered

December 4, 2017 at 4:20 pm
DELIVERED, TO MAIL ROOM
MIDLAND, TX 79706

Get Updates ▼

Text & Email Updates

Tracking History

Product Information

See Less ^

Can't find what you're looking for?

Go to our **FAQs** (<http://faq.usps.com/?articleId=220900>) section to find answers to your tracking questions.

Affidavit of Publication

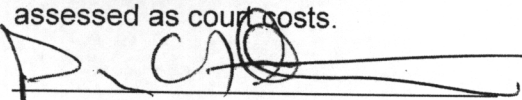
State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly
sworn, on oath says:

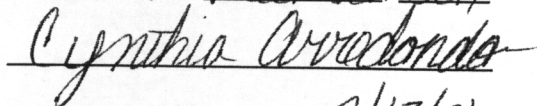
That he is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

December 5 2017

That the cost of publication is
\$132.17 and that payment thereof
has been made and will be
assessed as court costs.

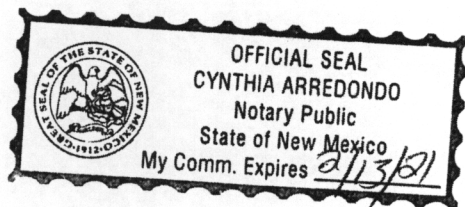


Subscribed and sworn to before me
this 6 day of December, 2017



My commission Expires 2/13/21

Notary Public



December 5, 2017

**STATE OF NEW MEXICO
ENERGY, MINERALS
AND NATURAL
RESOURCES
DEPARTMENT
OIL CONSERVATION
DIVISION
SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **December 21, 2017**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **December 11, 2017**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF
NEW MEXICO TO:**
All named parties and
persons having any
right, title, interest or
claim in the following
cases and notice
to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected parties, including:
Probity SWD, LLC;
Marathon Oil Permian LLC; Mewbourne Oil Co.; Chevron U.S.A. Inc.

Case No. 15911: Application of Black River Water Management Company, LLC to Amend Administrative Order SWD-1695 for a Salt Water Disposal Well Located in Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending Administrative Order SWD-1695 to permit increase the diameter of the injection tubing in its **Rustler Breaks SWD No. 3** Well (API No. 30-015-44303) from 4-1/2 inches to 5-1/2 inches. Administrative Order SWD-1695 currently

only allows for tubing that is 4-1/2 inches or smaller. The subject well is located in Unit J (NW/4 SE/4) of Section 24, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico. All other approved well designs and permit conditions under Administrative Order SWD-1695 are proposed to remain unchanged. The **Rustler Breaks SWD No. 3** well is located approximately 6 miles northwest of Malaga, N.M.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 16

Submitted by:

BLACK RIVER WATER MNGT CO, LLC

Hearing Date: December 21, 2017