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

APPLICATION OF SOLARIS WATER MIDSTREAM, LLC FOR APPROVAL OF SALT WATER DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

1 1 1

CASE NO. 20576

APPLICATION

Solaris Water Midstream, LLC (Solaris), by and through undersigned counsel of record, hereby applies for an order approving a salt water disposal well in Eddy County, New Mexico. In support of this Application, Solaris states as follows:

1. Solaris proposes to drill Bodacious Fed. SWD #1, located 214 feet from the north

line and 1129 feet from the east line of Section 29, Township 24 South, Range 30 East, NMPM,

Eddy County, New Mexico.

2. Solaris seeks authority to inject salt water into the Devonian and Silurian-

Fusselman formations at a depth of 15,890 to 16,975 feet.

- 3. Form C-108, dated August 20, 2018 is attached hereto as Exhibit A.
- 4. The granting of this application with prevent waste and protect correlative rights.
- 5. A Proposed Advertisement is attached hereto.

WHEREFORE, Solaris requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on June 6, 2019, and that after notice and hearing, the Division enter its order approving this application.

Respectfully submitted, dlingworth_ ete Domenici

Lorraine Hollingsworth

320 Gold Ave. SW, Suite 1000 Albuquerque, New Mexico 87102 505-883-6250 pdomenici@domenicilaw.com Ihollingsworth@domenicilaw.com Attorneys for Solaris Water Midstream, LLC

I hereby affirm that a copy of the forgoing was provided via U.S. mail to the following on April ______, 2019:

Michael H. Feldewert Holland & Hart, LLP 110 Guadalupe St., Suite A Santa Fe, NM 87501 Attorney for XTO Energy, Inc.

Jennifer L. Bradfute Modrall Sperling PO Box 2168 Albuquerque, NM 87103-2168

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PROPOSED ADVERTISEMENT

CASE NO. _______. Application of Solaris Water Midstream, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of salt water in the Devonian formation at depths of 16,530 to 17,650 feet through the Dillinger Fed. SWD #1 well, located 1656 feet from the north line and 1124 feet from the east line of Section 20, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

Need proposed ad For Bodacious Well

ENE	TE OF NEW MEXICOOil Conservation DivisionFORM C-108CRGY, MINERALS AND NATURAL1220 South St. Francis Dr.Revised June 10, 2003OURCES DEPARTMENTSanta Fe, New Mexico 87505
	APPLICATION FOR AUTHORIZATION TO INJECT
I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? X Yes No
11.	OPERATOR: Solaris Water Midstream, LLC
	ADDRESS: 9811 Katy Freeway, Suite 700, Houston, TX 77024
	CONTACT PARTY: Bonnie Atwater PHONE: 432-203-9020
III.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
IV.	Is this an expansion of an existing project? Yes X No If yes, give the Division order number authorizing the project:
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
*VIII.	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
IX.	Describe the proposed stimulation program, if any.
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
*XI. /	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief. NAME: BODNIE Atwater TITLE: Reg Tech SIGNATURE: DATE: 8-20-18 E-MAIL ADDRESS: bonnie, atwater & solaris midstream.com If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
	Please show the date and circumstances of the earlier submittal:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 2

Application for Authorization to Inject

Well Name: Bodacious Fed SWD #1

III - Well Data (The Wellbore Diagram is included as Attachment 1)

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(1) General Well Information:

Operator: Solaris Water Midstream, LLC.

Lease Name & Well Number: Bodacious Fed SWD #1

Well Footage: 214' FNL & 1,129' FEL

Location: S29 T24S R30E

(2) Casing Information:

Туре	Hole Size	Casing Size	Casing Weight	Setting Depth	Sacks of Cement	Estimated TOC	Method Determined
Surface	24"	20"	94.0 lb/ft	500'	450	Surface	Circulation
Intermediate 1	17-1/2"	13-3/8"	54.5 lb/ft	3,660'	2,200	Surface	Circulation
Intermediate 2	12-1/4"	9-5/8"	53.5 lb/ft	12,500'	3,350	Surface	Circulation
Liner	8-1/2"	7-5/8"	39 lb/ft	15,890'	260	12,300'(TOL)	CBL

(3) Tubing Information:

5-1/2" (23#) Internal Plastic Coated Liner swedged down to 5" (18#) with setting depth of 15,870'

(4) Packer Information: Lok-set or equivalent packer set at 15,870'

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- (1) Injection Formation Name: Devonian and Silurian-Fusselman formations
- (2) Injection Interval: Open-hole injection between 15,890' 16,975'
- (3) Drilling Purpose: New Drill for Salt Water Disposal
- (4) Other Perforated Intervals: No other perforated intervals exist.
- (5) Overlying Oil and Gas Zones :
 - Delaware (3,660')
 - Bone Springs (7,500')
 - Wolfcamp (10,750')
 - Atoka (13,090')
 - Morrow (13,725')

Underlying Oil and Gas Zones: No underlying oil and gas zones exist.

V – Well and Lease Maps

A well map and lease map are included in Attachment 2.

VI – AOR Well List

A list of the wells within the AOR is included in Attachment 2.

VII – Proposed Operation

- (1) Proposed Maximum Injection Rate: 30,000 bpd Proposed Average Injection Rate: 15,000 bpd
- (2) A closed system will be used.
- (3) Proposed Maximum Injection Pressure: 3,178 psi (surface) Proposed Average Injection Pressure: approximately 1,500 – 2,000 psi (surface)
- (4) Source Water Analysis: It is expected that the injectate will consist of produced water from production wells completed in the Wolfcamp and Bone Springs formations. Analysis of water from these formations is included in *Attachment 3*.
- (5) Injection Formation Water Analysis: The proposed well will be injecting water into the Devonian and Silurian-Fusselman formation which is known to be compatible with formation water from the Wolfcamp and Bone Springs formations. Water analyses from Silurian-Fusselman could not be located; however, water analyses from the Devonian formation in the area are included in *Attachment 4*.

VIII – Geologic Description

The proposed injection interval includes the Devonian and Silurian-Fusselman formations from 15,890 – 16,975 feet. These formations consist of carbonates including light colored dolomite and chert intervals interspersed with some tight limestone intervals. Several thick sections of porous dolomite capable of taking water are present within the subject formations in the area.

The freshwater formation is the Rustler at a depth of approximately 475 feet. Water well depths in the area range from 250 - 425 feet below ground surface.

IX – Proposed Stimulation Program

A small cleanup acid job may be used to remove mud and drill cuttings from the formation. However, no other formation stimulation is currently planned.

X – Logging and Test Data

Logs will be submitted to the Division upon completion of the well.

XI – Fresh Groundwater Samples

Based on a review of data from the New Mexico Office of the State Engineer, no groundwater wells are located within 1-mile of the proposed SWD location; therefore, no groundwater samples were collected in association with this application. A water well map of the area is included in *Attachment 5*.

XII – No Hydrologic Connection Statement

No faulting is present in the area that would provide a hydrologic connection between the injection interval and overlying USDWs. Additionally, the casing program has been designed to ensure there will be no hydrologic connection between the injection interval and overlying USDWs. A letter from a knowledgeable and qualified expert stating that there is a low risk of selsmic activity from the proposed injection activities is included in *Attachment 6*.

XIII – Proof of Notice

A Public Notice was filed with the Carlsbad Current-Argus newspaper and an affidavit is included in *Attachment 7*.

A copy of the application was mailed to the OCD District Office, landowner, and leasehold operator within the AOR of the proposed SWD location. A list of the recipients, as well as delivery confirmations, are included in *Attachment* **7**.

Attachment 1: Wellbore Diagram Attachment 2: Area of Review Well Map, Lease Map, and Well Details Attachment 3: Source Water Analyses Attachment 4: Injection Formation Water Analyses Attachment 5: Water Well Map Attachment 6: Induced Selsmicity Assessment Letter Attachment 7: Public Notice Affidavit and Notice of Application Confirmations

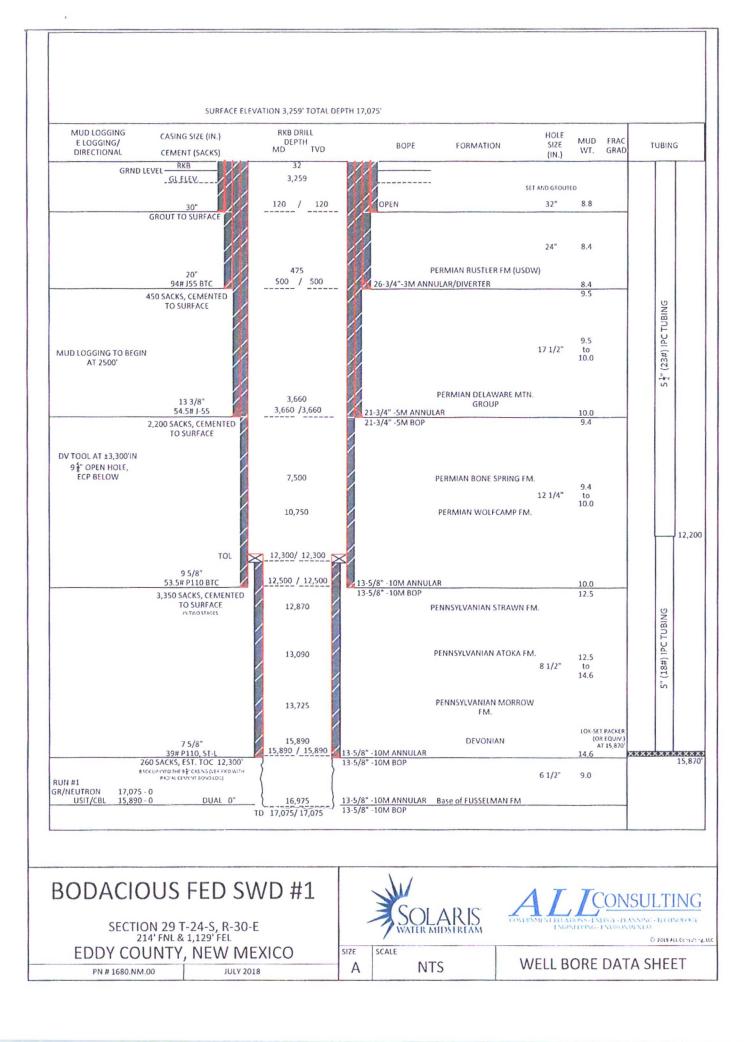
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Wellbore Diagram

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Retrievable Packer Systems

A-3 and AL-2 LOK-SET Retrievable Casing Packers

Product Family No. H64630 and H64628

APPLICATION

The A-3^{°°} LOK-SET^{°°} packer combines advantages of a retrievable packer with the features of a permanent packer. An ability to lock down tubing forces makes the A-3 suitable for a broad range of applications, including production, injection, zone isolation, and remedial operations. The AL-2^{°°} LOK-SET packer is similar to the A-3, and has a larger bore.

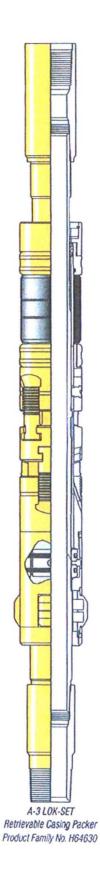
Advantages

- Holds pressure from above and below, without relying on set-down weight, tubing tension, or hydraulic hold down
- Provides tubing anchoring with tension applied, suitable for pumping wells or injection, controlling tubing forces related to change fluid temperatures
- Opposed, non-transferring, dovetail slips prevent packer movement associated with changing differential pressures, while allowing the landing of the tubing in tension, neutral or compression
- Right-hand tubing rotation controls setting and releasing
- Packing element compression locks in by ratcheting action of lock segments, which restricts rotation to one direction

Accessories

To provide a simple and reliable injection system for retrieving an injection string without having to unseat the packer:

L-10 or L-316 on-off sealing connectors, Product Family Nos. H68420 and H68422. Baker Hughes blanking plug can be used in the seating nipple profile of the on-off sealing connector to provide a means of plugging the lower zone while the tubing is being pulled.



Retrievable Packer Systems

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_	Casing		Packer						
0	D	Weight •	Stze	Non	n 10		Gage 1 OD		
in.	mm	lb/ft		in.	กษกา	in.	mm		
4	101.6	9.5-12.9	41A2	1.500	38.1	3.244	82.4		
4-1/2	144.3	21.6-23.6	41A2	1.500	38.1	3.244	82.4		
4	101.6	9.5	41A4	1.500	38.1	3.423	112.4		
		18.8	41A4	1.500	38.1	3.423	1124		
		13.5-17.7	41B	1.500	30.1	3.578	90.9		
4-1/2	114.3	11.6-13.5	43A2	1070	50.2	3.786	96 2		
		9.5-10.5	43A4	1.978	50.2	3.786	96.2		
	107.0	15-18	438	1.070	50.0	4.140	105.		
5	127.0	11.5-15	43C	1.978	50.2	4.265	105.		
		26	43C			4.265	108.		
		20-23	45A2	1		4.515	114.		
5-1/2	139.7	15.5-20	45A4	1.978	50.2	4.656	118		
		13-15.5	458	1		4.796	121.		
		26	458			4.796	121.		
6	152.4	20-23	45C	1.978	50.2	5.078	129.		
		15-18	450	1		5.171	131.		
		34	458			5.421	137.		
		24-32	45F	1.978	50.2	5.499	139.		
6-5/8	168.3	24	47A2	2.441	62.0	5.671	144.		
		17-24	45G	1.978	50.2	5.796	147.		
		17-20	47A4	2.441	62.0	5.827	148.0		
		38	47A2			5.671	144.(
		32-35	47A4			5.827	143.0		
7	177.8	26-29	4782	2.441	62.0	5.983	152.0		
		23-26	4784			6.093	154.0		
		17-20	47C2			6.281	159.		
		33.7-39	47C4			6.468	164.		
7-5/8	193.7	24-29.7	47D2	2.441	62.0	6.687	169.9		
		20-24	4704			6.827	173.4		
		44-49	49A2			7.327	186.1		
8.5/8	219.1	32-40	49A4	3.500	88.9	7.546	191.7		
		20-28	498			7.796	198.0		
		47-53.5	51A2			8 234	209.1		
9-5/8	244.5	40-47	51A4	3.500	88.9	8.452	214.7		
		29.3-36	518			8.608	218.0		

SPECIFICATION GUIDES A-3" LOK-SET Retrievable Casing Packer, Product Family No. H64630

AL-2" Large Bore LOK-SET Retrievable Casing Packer Product Family No. H64628

Casing OD					Pa	cker				
		Weight •	Size	Non	n ID	Max Gage	e Ring OD	Max Dia Compressed	meter of Drag Block	
In.	mm	lb/ft		In.	mm	In.	mm	In.	mm	
	139.7	20	45A2 x 2-3/8	the second se		4.562	115.9	4.592	116.6	
5-1/2		15.5-17	45A4 x 2-3/8		2.375	2.375	60.3	4.656	118.3	4.750
		13	13	458 x 2-3/8				4.796	121.8	4.902
6	152.4	26	458 x 2-3/8	2.375	60.3	4.796	121.8	4.902	124.5	

 When selecting a packer for a casing weight common to two weight ranges (same OD), choose the packer size shown for the lighter of the two weight ranges. Example: for 7-in. (177.8 mm) OD 26 lb/ft casing use packer size 47B4. Under certain circumstances the other packer size may be run, such as when running in mixed casing strings.

Repair kits, including such items as pecking elements, seal rings, etc., are available for redressing Baker Retrievable Packers. Contact your Baker Hughes representative. Use only Baker Hughes repair parts.

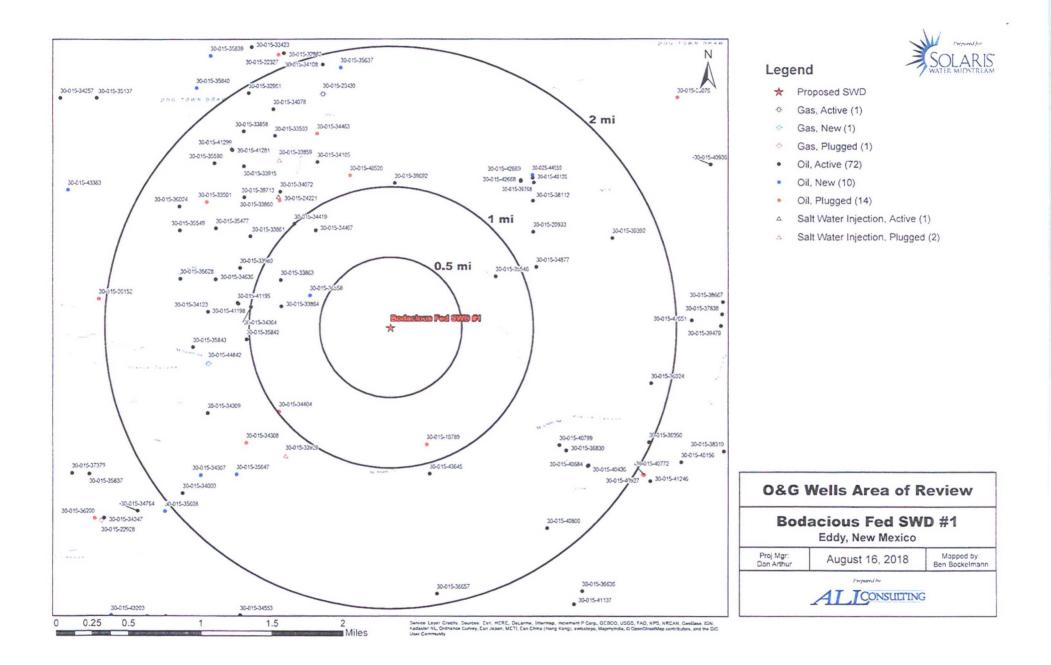
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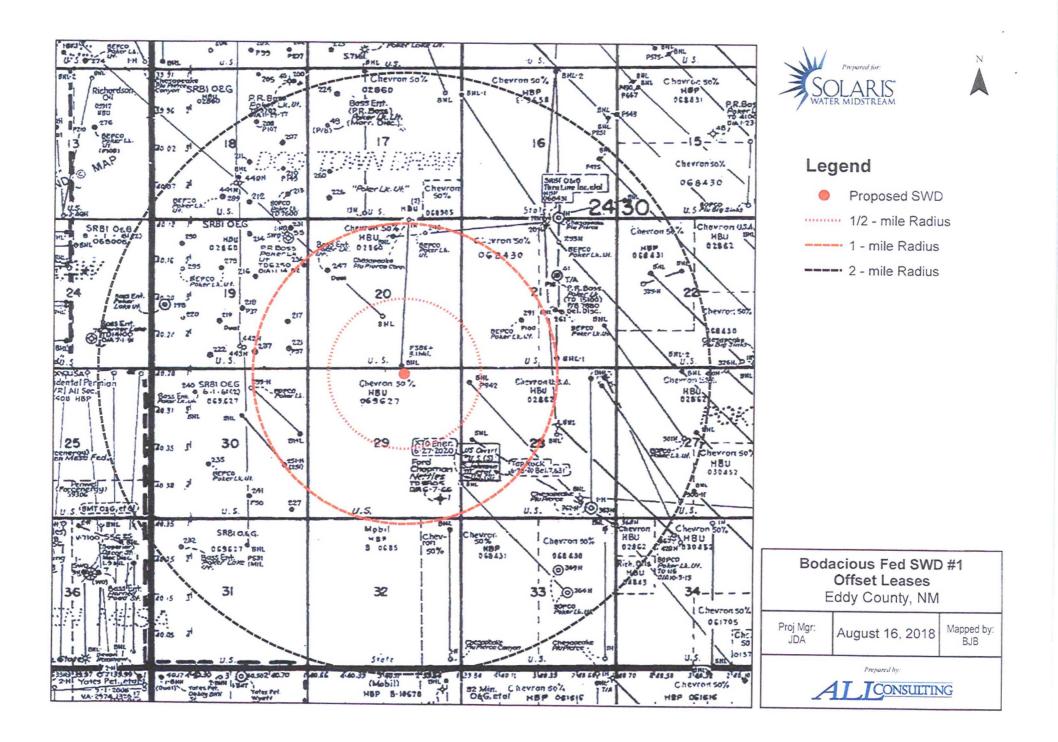
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Area of Review Well Map, Lease Map, and Well Details





Well Name	API#	Well Type	Operator	Spud Date	Location (Sec., Tn., Rng.)	Footage Location	Total Depth	Penetrate Inj. Zone?
POKER LAKE UNIT #248	30-015-36558	0	BOPCO, L.P.	Not Yet Drilled	M-20-245-30E	1,050 FSL 410 FWL	N/A	No
POKER LAKE UNIT #217	30-015-33863	0	BOPCO, L.P.	2/6/2005	I-19-245-30E	1,650 FSL 660 FEL	7640	No
POKER LAKE UNIT #291	30-015-35546	0	BOPCO, L.P.	5/8/2007	K-21-245-30E	1,650 FSL 1,980 FWL	7766	No
POKER LAKE UNIT #221	30-015-33864	0	BOPCO, L.P.	6/25/2005	P-19-245-30E	660 FSL 660 FEL	7590	No
POKER LAKE UNIT #237	30-015-34364	0	BOPCO, L.P.	11/6/2005	0-19-245-30E	660 FSL 1,080 FEL	7550	No
POKER LAKE UNIT #247	30-015-34467	0	BOPCO, L.P.	5/2/2006	E-20-245-30E	1,805 FNL 660 FWL	7638	No
POKER LAKE UNIT #251H	30-015-34404	0	BOPCO, L.P.	7/8/2006	1-30-245-30E	1,980 FSL 785 FEL	9060	No
PRE-ONGARD WELL #001	30-015-10789	plugged	PRE-ONGARD WELL OPERATOR	6/7/1966	P-29-245-30E	660 FSL 660 FEL	3805	No

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Source Water Analyses



Water Analysis

Date: 23-Aug-11

2708 West County Road, Hobbs NM 88240 Phone (575) 392-5556 Fax (575) 392-7307

1		Yell Name	ر. 	ounty	State
Sample Source	Swab Sa	BD mpte	Sample #	409 ddy	New Mexico /-265-27 1
Formation		•	Depth		
Specific Gravity	1.170		SG @	60 °F	1.172
ρΗ	6.30		S	ulfides	Absent
Temperature (*F)	70	'	Reducing I	Agants	
Cations					
Sodium (Celc)	<u> </u>	in Mg/L	77,962	in PPM	66,520
Celdum		In Mg/L	4,000	in PPM	3,413
Magnasium		In Mg/L	1,200	in PPM	1,024
Soluable fron (FE2)		in Mg/L	10.0	in PPM	9
Anions					
Chiarides		in Mg/L	130,000	in PPM	110,922
Suttates		In Mg/L	250	in PPM	213
Bicarboneles		in Mg/L	127	in PPM	108
Totel Herdness (as CaCC)3)	in Mg/L	15,000	in PPM	12,799
Total Dissolved Solida (C	elc)	in Mg/L	213,549	in PPM	182,209
Equivalent NaCl Concent	ration	in Mg/L	182,668	in PPM	156,031
caling Tendencies					
Celcium Cerbonale Index Babw 800,00		000 - 1,000,000	Possible / Above 1	,000,000 Probabl	507,520
Balcium Sulfate (Gyp) Inc Balaw 500,00		00- 10,000,00	Possible / Above 10		1,000, 00 0 6

RW=.048@70F Remarks

3188 Report #

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Sec ZZ, T25, S, R28E Bone Spring

North Permian Basin Region P.O. Box 740 Sundawn, TX 79372-0740 (806) 228-8121 Lab Yeam Leader - Shella Hernandez (432) 495-7240

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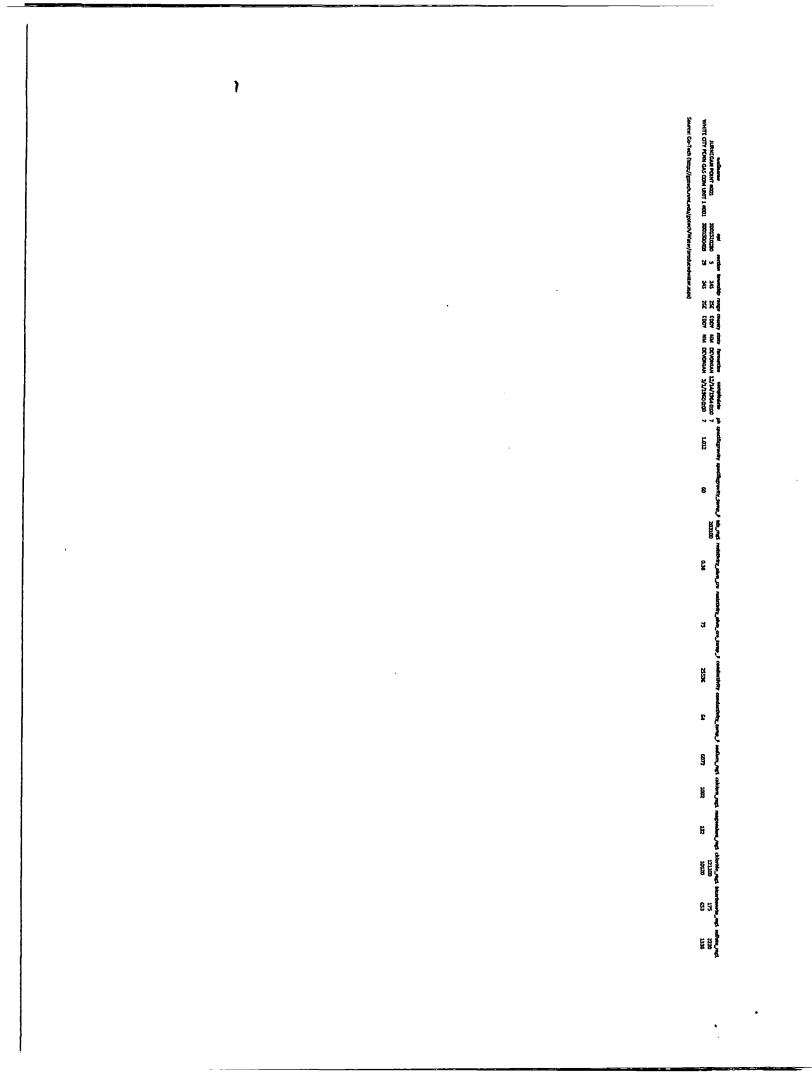
Water Analysis Report by Baker Petrolite

Company:		Sales RDT:	33514.1
Region:	PERMIAN BASIN	Account Manager:	TONY HERNANDEZ (576) 910-7135
Area:	ARTESIA, NM	Sample #:	534665
Lease/Platform:	PINOCHLE BPN' STATE COM	Analysis ID #:	106795
Entity (or well #):	2H	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD	,	

Summery					Analysis of Samplo 534665 @ 75 F								
Sempl	ing Date:		03/10/1	1 Anions		mg) п	Neg/I	Coti	0.05	m	9/I	neq/l
	la Date:		Q3/18/1		le:	109618.	309	1.92	Sod	kum:	70278	5.7	3058.82
Analys	it:	8AN	DRA GOME	Z Bloarbo	inato:	2135.0) 3	4.99	Neg	neslum:	195	5.0	16.04
TDQ /a		-91.	184911.	Carbon	ate:	0.0)	0.	Calc	ium:	844	.0	42.12
TDS (mg) or g/m3): 184911.1 Density (g/cm3, tonne/m3): 1.113 Anion/Cation Ratio: 1		- I Sulfala	Sulfalo: 747.0 Phosphale:			5.55	Strontium: Berlum:		21(220.0 0.8	5.02		
		Phosph				Î					0.01		
		Borste:				1	Iron:			1.5	0.23		
			Silicate:						55/ 1/11:	889.0		22.22	
	Carbon Dioxide: 0.50 PPM				Aluminum:								
Carpor			0 50 PPM	Hydroge	Hydrogen Sullide; 0 PPM Chromiu pH et Une of sampling; 7 Copper:								
Oxygei	Ľ			oHallia									
Comm	enia:				pH at time of analysis:			Lead	-				
									ganese:	0.1	00	0.	
					s in Celculat	ion:		7	Nick	51:			
Cond	llons		Values C	alculated	at the Give	n Condiție	na - Amo	unts	of Sc	ale in Ib/10	00 b bi		
Temp	Gauge Press.		alcito SaCO _S		aum 42H2 0	Anhy Ca	drite 804			stite r804		rite ISO 4	CO ₂ Press
F	psi	Index	Amount	Index	Amount	Index	Amount	k	dex	Amount	Index	Amount	pei
80	0	1.08	188.52	-1.20	0.00	-1.18	0.00	-	0.11	0.00	0.58	0.29	1.72
100	0	1.10	208.05	-1.29	0.00	-1.20	0.00).15	0.00	0.35	0.29	2.36
120	0	1.12	224.17	-1.38	0.00	-1.19	0.00	-4).17	0.00	0.18	0.00	3.17
140	0	1.13	243.17	-1,42	0.00	-1.18	0.00	-).18	0.00	0.00	0.00	4.21

Note 1: When essenting the severity of the acels problem, both the saturation Index (SI) and amount of scale must be considered. Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales. Note 3: The reported CO2 pressure is noturally the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

Injection Formation Water Analyses



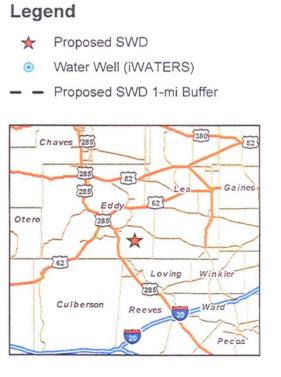
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Water Well Map

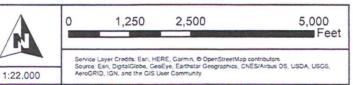
Proposed SWD & Water Wells within 1 mile







Bodacious	Fed SWD #1	
County: Eddy, NM	Date: 8/7/2018	1
Lat: 32.195336	PM: J Daniel Arthur	1
Long: -103.901181	Map: Ben Bockelmann	





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Induced Seismicity Assessment Letter



August 16, 2018

Mr. Phillip Goetze, P.G. NM EMNRD – Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Subject: Induced Seismicity Potential Statement for the Bodacious Fed SWD #1

Dear Mr. Goetze,

This letter provides information regarding the seismic potential associated with injection operations associated with Solaris Water Midstream, LLC's (Solaris), proposed Bodacious Fed SWD #1, hereinafter referred to as the "Subject Well".

As outlined herein, based on my experience as an expert on the issue of induced seismicity, it is my opinion that the potential for the proposed injection well to cause injection-induced seismicity is expected to be minimal, at best. This conclusion is based on (1) the lack of historic seismic activity and faulting in the area, (2) the low fault slip potential (FSP) of Precambrian faults in the area, (3) the presence of confining layers, and (4) the overall vertical distance between the proposed injection zone and basement rock.

The Subject Well, is located 214' FNL & 1,129' FEL of Section 29, in T24-S and R30-E of Eddy County, New Mexico. Historically, the Eddy County area has experienced very limited recorded seismic activity (per the U.S. Geological Survey [USGS] earthquake catalog database). The closest recorded seismic event was a M3.1 that occurred on March 18, 2012, and was located approximately 5.93 miles north of the subject well (See Exhibit 1). The closest Class IID well injecting into the same formations (Devonian-Silurian) of the Subject Well is approximately 1.22 miles to the northwest (See Exhibit 1).

Solaris does not own either 2D or 3D seismic reflection data in the area of the Subject Well. Fault data from USGS indicates that the closest known fault is approximately 19.62 miles northwest of the Subject Well and a second small inferred fault segment is approximately 5.84 miles to the southwest (See Exhibit 1).

In a recent paper written by Snee and Zoback (2018) entitled "State of Stress in the Permian Basin, Texas and New Mexico: Implications for Induced Seismicity,", the authors found that large groups of mostly north-south striking Precambrian basement faults, predominantly located along the Central Basin Platform, the western Delaware Basin, and large parts of the Northwest Shelf (which includes Eddy and Lea counties, New Mexico) have low FSP at the modeled fluid-pressure

perturbation. The map in Exhibit 2 depicts the low probability risk of FSP for the Delaware Basin and Northwest Shelf areas (Snee and Zoback 2018).

Geologic analysis indicates that the proposed Devonian-Silurian injection zone is overlain by approximately 200 to 400 feet of Woodford Shale, which is the upper confining zone and will serve as a barrier for upward injection fluid migration. Additionally, the Simpson Group that lies directly below the Montoya Formation will act as a lower confining zone to prohibit fluids from migrating downward into the underlying Ellenberger Formation and Precambrian basement rock. See the stratigraphic column for the Delaware Basin included in Exhibit 3.

In the Eddy and Lea Counties area of New Mexico, the Simpson Group is comprised of a series of Middle to Upper Ordovician carbonates, several sandstones, and sandy shales that range from approximately 350 to 650 feet thick (Jones 2008). This group of rocks is capped by the limestones of the Bromide Formation, which is approximately 200 feet thick in this area (Jones 2008). The closest deep well drilled into the Precambrian basement was completed by the Skelly Oil Company in 1975. This well is located in Section 17, Range 36E, Township 25S of Lea County (API No.30-025-25046) and encountered 602 feet of Ellenburger Formation before reaching the top of the Precambrian granite at a depth of 18,920 feet. Based on the estimated thickness of the Simpson Group and Ellenburger Formation in this area, the Precambrian basement should be approximately 1,000 to 1,200 feet below the bottom of the proposed injection zones in the Subject Well.

Conclusion

As an expert on the issue of induced seismicity, it is my opinion that the potential for the proposed injection well to cause injection-induced seismicity is expected to be minimal, at best. This conclusion is based on (1) the lack of historic seismic activity and faulting in the area, (2) the low FSP of Precambrian faults in the area, (3) the presence of confining layers, and (4) the overall vertical distance between the proposed injection zone and basement rock.

Sincerely, ALL Consulting

J. Daniel Arthur, P.E., SPEC President and Chief Engineer

Enclosures References Exhibits

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References

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Ball, Mahlon M. 1995. "Permian Basin Province (044)." In *National Assessment of United States Oil and Gas Resources—Results, Methodology, and Supporting Data.* U.S. Geological Survey. https://certmapper.cr.usgs.gov/data/noga95/prov44/text/prov44.pdf (accessed June 18, 2018).

Green, G.N., and G.E. Jones. 1997. "The Digital Geologic Map of New Mexico in ARC/INFO Format." U.S. Geological Survey Open-File Report 97-0052. https://mrdata.usgs.gov/geology/state/state.php?state=NM (accessed June 14, 2018).

Jones, Rebecca H. 2008. "The Middle-Upper Ordovician Simpson Group of the Permian Basin: Deposition, Diagenesis, and Reservoir Development." <u>http://www.beg.utexas.edu/resprog/permianbasin/PBGSP_members/writ_synth/Simpson.pdf</u> (accessed June 19, 2018).

Snee, Jens-Erik Lund, and Mark D. Zoback. 2018. "State of Stress in the Permian Basin, Texas and New Mexico: Implications for Induced Seismicity." *The Leading Edge* 37, no. 2 (February 2018): 127-34.

U.S. Geological Survey (USGS). No date. Earthquakes Hazard Program: Earthquake Catalog. https://earthquake.usgs.gov/earthquakes/search/ (accessed June 14, 2018).

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Exhibits

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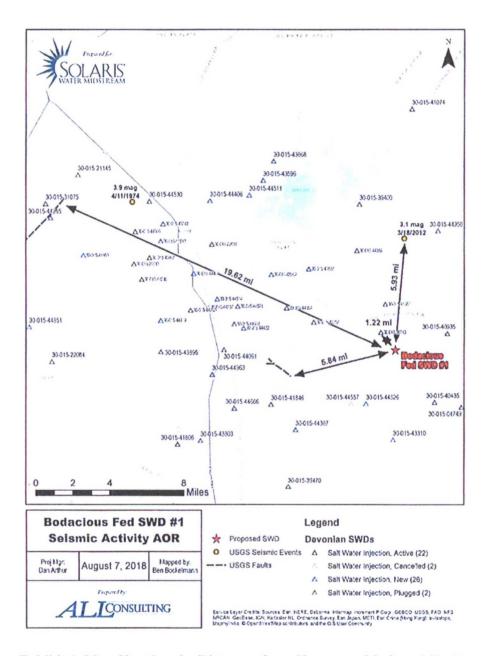


Exhibit 1. Map Showing the Distances from Known and Inferred Faults, Seismic Event, and Closest Deep Injection Well

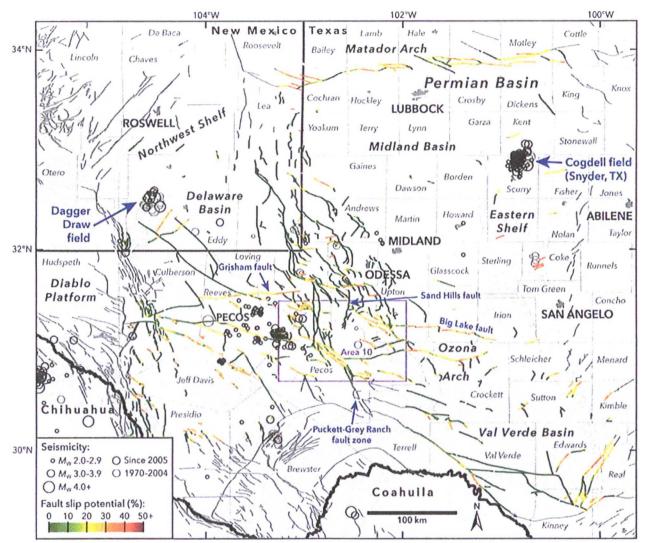
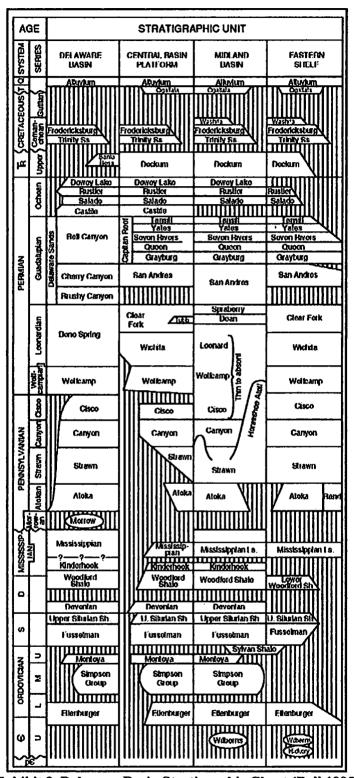


Exhibit 2. Results of the Snee and Zoback (2018) Probabilistic FSP Analysis Across the Permian Basin





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Public Notice Affidavit and Notice of Application Confirmations

Bodacious Fed	SWD #1 Notice of Application Recipients	(1/2-mile Radius)		
Entity	Address	City	State	Zip Code
	Landowner			
New Mexico BLM	620 Greene St.	Carlsbad	NM	88220
	OCD District			1997 - A-
OCD District 2	811 S. First St.	Artesia	NM	88210
	Leasehold Operators	1	Weine A	
BOPCO,L.P.	6401 Holiday Hill Rd., Bldg 5, Ste 200	Midland	ТΧ	79702
Chesapeake Operating, LLC.	P.O. Box 18496	Oklahoma City	OK	73154-0496
Chevron U.S.A Production Company	P.O. Box 1635	Houston	ΤХ	77251
XTO Energy Incorportated	500 W Illinois, Suite 100	Midland	TX	79702

CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001258846

ALL CONSULTING- CARLSBAD 1718 SOUTH CHEYENNE AVENUE

TULSA OK 74119

I, a legal clerk 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:

<u>08/22/18</u>

Legal Clerk

Subscribed and sworn before me this 22nd of August 2018.

State of WI, County of Brown NOTARY PUBLIC

My Commission Expires

Ad#:0001258846 P O : SolWaterMid # of Affidavits :0.00 APPLICATION FOR AUTHORIZATION TO INJECT

NOTICE IS HEREBY **GIVEN: That Solaris** Water Midstream. LLC, 9811 Katy Freeway, Suite 700, Houston, TX 77024, is requesting that the New Mexico Oil Conservation Division administratively approve the APPLICATION FOR AU-THORIZATION TO IN-JECT as follows: PURPOSE: The intended purpose of the injection well is to dispose of salt water produced from permitted oil and gas wells. WELL NAME AND LO-CATION: Bodacious Fed SWD #1 NW ¼ NE ¼, Section 29. Township 24S. Range 30E 214⁷ FNL & 1,129' FEL Eddy County, NM NAME AND DEPTH OF **DISPOSAL ZONE:** Devonian-Silurian (15,890' - 16,975') EXPECTED MAXIMUM **INJECTION RATE:** 30.000 Bbls/dav EXPECTED MAXIMUM **INJECTION PRESSURE:** 3,178 psi (surface) **Objections or requests** for hearing must be filed with the New Mexico Oil Conservation Division within fifteen (15) days. Any objection or request for hearing should be mailed to the Oil Conservation Division. 1220 South St. Francis Dr., Santa Fe, New Mexico 87505. Additional information may be obtained by contacting Bonnie Atwater (Solaris - Regu-latory Technician) at 432-203-9020. Aug. 22, 2018

