

Protested SWD Application

By Southwest Royalties, Inc;
received 11/01/2023

From: [Gebremichael, Million, EMNRD](#)
To: [Nate Alleman](#); [Lindsay Livesay](#)
Cc: [Goetze, Phillip, EMNRD](#); [Harris, Anthony, EMNRD](#); [Tremaine, Jesse, EMNRD](#)
Subject: Protest Notification to Ace Energy Advisors/Pilot Water Solutions SWD LLC Injection Well Permits
Date: Thursday, December 21, 2023 10:52:00 AM
Attachments: [image001.png](#)

Mr. Alleman,

The OCD was notified by Southwest Royalties, INC that it is protesting the following administrative applications of Pilot Water Solutions SWD LLC (Pilot Water Solutions) for produced water disposal in Lea County, NM:

1. Ricky SWD State #1 , Located in 953' FSL & 1583' FWL in Section 9 T19S R37E
2. Dayne SWD State #1, Located in 819' FSL & 1915' FEL in Section 4 T19S R37E

Southwest Royalties, INC is identified as an affected person for the referenced applications. For these applications to proceed, Pilot Water Solutions has two options; either resolve the matter with the protesting party or to go to a hearing before the Division. If the protest is withdrawn, then the applications could be processed administratively. Meanwhile, OCD will retain your applications until a resolution is reached on the status of the submittals. If you have any questions, please don't hesitate to reach out to UIC group.

Thanks,

Million Gebremichael

Petroleum Specialist- A
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Cell : 505-4791137



From: [Goetze, Phillip, EMNRD](#)
To: [Engineer, OCD, EMNRD](#)
Cc: [Gebremichael, Million, EMNRD](#)
Subject: FW: [EXTERNAL] RE: Protest to Ace Energy Advisors/Pilot Water Solutions SWD LLC Injection Well Permits
Date: Wednesday, December 20, 2023 1:26:33 PM
Attachments: [SKM_C45823122012161.pdf](#)
[SKM_C45823122012160.pdf](#)
Importance: High

To be put in the protest folder, please. PRG

From: Lindsay Livesay <llivesay@swrpermian.com>
Sent: Wednesday, December 20, 2023 10:23 AM
To: Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>
Cc: Tanner Culp <tannerculp@swrpermian.com>; Merch <mymerch@penrocoil.com>; Tim Culp <tculp@swrpermian.com>; Mickey Cunningham <mcunningham@swrpermian.com>
Subject: [EXTERNAL] RE: Protest to Ace Energy Advisors/Pilot Water Solutions SWD LLC Injection Well Permits
Importance: High

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

Good morning Mr. Goetze,

Southwest Royalties would like to add the following two injection permit to our protest list.

Also, when you get a chance would you kindly send us an update on the other nine permits we protested to?

Ricky SWD State #1

956' FSL & 1583' FWL, Sec 9, T-19S, R-37E, Lea County, NM

Dayne SWD State #1

819' FSL & 1915' FWL, Sec 4, T-19S, R-37E, Lea County, NM

Previously Disputed SWD Applications:

Flutie SWD State #1

2863' FSL & 633' FWL, Sec 6, T-19S, R-37E, Lea County, NM

Tebow SWD State #1

2249' FNL & 748' FEL, Sec 5, T-19S, R-37E, Lea County, NM

Burrow SWD State #1

458' FNL & 1612' FWL, Sec 5, T-19S, R-37E, Lea County, NM

Cannon SWD State #1

2363' FNL & 1271' FEL, Sec 9, T-19S, R-37E, Lea County, NM

Flutie SWD State #1

2437' FNL & 918' FEL, Sec 6, T-19S, R-37E, Lea County, NM

Jameis SWD State #1

1429' FNL & 458' FEL, Sec 7, T-19S, R-37E, Lea County, NM

Juice SWD State #1

497' FNL & 771' FEL, Sec 7, T-19S, R-37E, Lea County, NM

O'Brien SWD State #1

384' FNL & 407' FEL, Sec 5, T-19S, R-37E, Lea County, NM

Toretta SWD State #1

545' FNL & 2510' FEL, Sec 17, T-19S, R-37E, Lea County, NM

Kind Regards,

Lindsay Livesay

Regulatory Analyst

Southwest Royalties, Inc.

P.O. Box 53570

Midland, Texas 79710-3570

(432) 207-3054 – Office

(432) 770-6200 – Cell

llivesay@SWRPermian.com



From: Lindsay Livesay

Sent: Wednesday, November 01, 2023 3:39 PM

To: phillip.goetze@emnrd.nm.gov

Cc: Tanner Culp <tannerculp@swrpermian.com>; Merch <mymerch@penrocoil.com>; Tim Culp <tculp@swrpermian.com>; Mickey Cunningham <mcunningham@swrpermian.com>

Subject: RE: Protest to Ace Energy Advisors/Pilot Water Solutions SWD LLC Injection Well Permits

Importance: High

Good afternoon Mr. Goetze,

Southwest Royalties would like to add the following injection permit to our protest list. Also, when you get a chance would you kindly send us an update on the other eight permits we protested to?

Flutie SWD State #1

2863' FSL & 633' FWL, Sec 6, T-19S, R-37E, Lea County, NM

Kind Regards,

Lindsay Livesay

Regulatory Analyst

Southwest Royalties, Inc.

P.O. Box 53570

Midland, Texas 79710-3570

(432) 207-3054 – Office

(432) 770-6200 – Cell

llivesay@SWRPermian.com



From: Lindsay Livesay

Sent: Wednesday, October 18, 2023 4:22 PM

To: phillip.goetze@emnrd.nm.gov

Cc: Tanner Culp <tannerculp@swrpermian.com>; Merch <mymerch@penrocoil.com>; Tim Culp <tculp@swrpermian.com>; Mickey Cunningham <mcunningham@swrpermian.com>

Subject: RE: Protest to Ace Energy Advisors/Pilot Water Solutions SWD LLC Injection Well Permits

Importance: High

Good afternoon Mr. Goetze,

Southwest Royalties would like to protest two more injection permits for the Tebow SWD State #1 and the Burrow SWD State #1 from Pilot Water Solutions. Please feel free to call or email me if you have any questions or need anything additional paperwork.

Tebow SWD State #1

2249' FNL & 748' FEL, Sec 5, T-19S, R-37E, Lea County, NM

Burrow SWD State #1

458' FNL & 1612' FWL, Sec 5, T-19S, R-37E, Lea County, NM

Kind Regards,

Lindsay Livesay

Regulatory Analyst

Southwest Royalties, Inc.

P.O. Box 53570

Midland, Texas 79710-3570

(432) 207-3054 – Office

(432) 770-6200 – Cell

llivesay@SWRPermian.com



From: Lindsay Livesay

Sent: Thursday, October 05, 2023 10:13 AM

To: phillip.goetze@emnrd.nm.gov

Cc: Tanner Culp <tannerculp@swrpermian.com>; Merch <mymerch@penrocoil.com>; Tim Culp <tculp@swrpermian.com>; Mickey Cunningham <mcunningham@swrpermian.com>

Subject: Protest to Ace Energy Advisors/Pilot Water Solutions SWD LLC Injection Well Permits

Importance: High

Good morning Mr. Goetze,

Southwest Royalties, Inc. would like to protest the following injection well applications from Pilot Water Solutions SWD, LLC. We are concerned due to the proximity of their proposed commercial disposal wells and the harm it could cause to our producing wells.

Cannon SWD State #1

2363' FNL & 1271' FEL, Sec 9, T-19S, R-37E, Lea County, NM

Flutie SWD State #1

2437' FNL & 918' FEL, Sec 6, T-19S, R-37E, Lea County, NM

Jameis SWD State #1

1429' FNL & 458' FEL, Sec 7, T-19S, R-37E, Lea County, NM

Juice SWD State #1

497' FNL & 771' FEL, Sec 7, T-19S, R-37E, Lea County, NM

O'Brien SWD State #1

384' FNL & 407' FEL, Sec 5, T-19S, R-37E, Lea County, NM

Toretta SWD State #1

545' FNL & 2510' FEL, Sec 17, T-19S, R-37E, Lea County, NM

Please feel free to reach out to myself or Tanner Culp if you have any questions or need anything

additional paperwork.

Kind Regards,

Lindsay Livesay

Regulatory Analyst

Southwest Royalties, Inc.

P.O. Box 53570

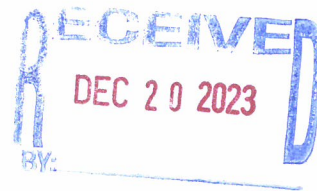
Midland, Texas 79710-3570

(432) 207-3054 – Office

(432) 770-6200 – Cell

llivesay@SWRPermian.com

Southwest  Royalties
Inc.



December 12, 2023

Subject: Pilot Water Solutions SWD LLC
Notice of Application for Authorization to Inject
Ricky SWD State #1

Dear Sir or Madam,

Pilot Water Solutions SWD LLC (Pilot) is applying for administrative approval of an Application for Authorization to Inject (Form C-108) for their proposed Ricky SWD State #1. Per New Mexico Oil Conservation Division (NMOCD) requirements, you are being notified of the application as an Affected Person and are being provided with a copy of the application for review.

Applicant Name: Pilot Water Solutions SWD LLC
Operator Address: 20 Greenway Plaza, Suite 200, Houston, TX 77046
Well Name: Ricky SWD State #1
Legal Location: 953' FSL & 1,583' FWL in Section 9 T19S R37E, in Lea County, NM
Injection Formation: San Andres
Injection Type: Commercial Disposal

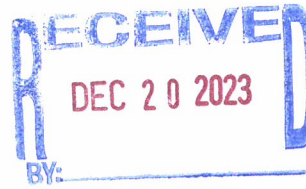
Objections or requests for hearing must be filed with NMOCD within fifteen (15) days of receipt. Any objection or request for hearing should be mailed to the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

Questions regarding this application or the included materials can be directed to Nate Alleman (Pilot Regulatory Advisor Contractor) via telephone at 918-237-0559 or via email at nate.alleman@aceadvisors.com.

Sincerely,

A handwritten signature in black ink that reads "Nathan Alleman".

Nate Alleman
Chief Regulatory Advisor
Ace Energy Advisors



December 12, 2023

Subject: Pilot Water Solutions SWD LLC
Notice of Application for Authorization to Inject
Dayne SWD State #1

Dear Sir or Madam,

Pilot Water Solutions SWD LLC (Pilot) is applying for administrative approval of an Application for Authorization to Inject (Form C-108) for their proposed Dayne SWD State #1. Per New Mexico Oil Conservation Division (NMOCD) requirements, you are being notified of the application as an Affected Person and are being provided with a copy of the application for review.

Applicant Name: Pilot Water Solutions SWD LLC
Operator Address: 20 Greenway Plaza, Suite 200, Houston, TX 77046
Well Name: Dayne SWD State #1
Legal Location: 819' FSL & 1,915' FWL in Section 4 T19S R37E, in Lea County, NM
Injection Formation: San Andres
Injection Type: Commercial Disposal

Objections or requests for hearing must be filed with NMOCD within fifteen (15) days of receipt. Any objection or request for hearing should be mailed to the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

Questions regarding this application or the included materials can be directed to Nate Alleman (Pilot Regulatory Advisor Contractor) via telephone at 918-237-0559 or via email at nate.alleman@aceadvisors.com.

Sincerely,

A handwritten signature in black ink that reads "Nathan Alleman".

Nate Alleman
Chief Regulatory Advisor
Ace Energy Advisors

Well Data**Operator** - Pilot Water Solutions SWD LLC**Lease/Well Name & Number** - Dayne SWD State #1**Legal Location** - 819' FSL & 1,915' FWL - Unit N – Section 4 T19S R37E – Lea County**Casing Data**

Casing String	Hole Size (in)	Casing Size (in)	Casing Depth (ft)	Sacks Cement (sx)	Top of Cement (ft)	Method Determined
Surface	17-1/2	13-3/8	1,548	2,426.3	0	Circulation
Production	12-1/4	9-5/8	5,667	1,691.6	0	Circulation

Tubing: 5-1/2" fiberglass-coated tubing set at 4,321'**Packer:** Weatherford AS1X Stainless 9-5/8" X 5-1/2" set 4,321'**Geology Data****Injection Formation Name** - San Andres**Pool Name** - SWD; San Andres**Pool Code** – 96121**Injection Interval** - Cased-hole injection between 4,321' - 5,667'**Drilling Purpose** - New drill for injection**Other Perforated Intervals:** No other perforated intervals exist.**Overlying Oil and Gas Zones:**

- Yate (2,774')
- Seven Rivers (3,044')
- Queen (3,599')
- Grayburg (3,937')

Underlying Oil and Gas Zones – None

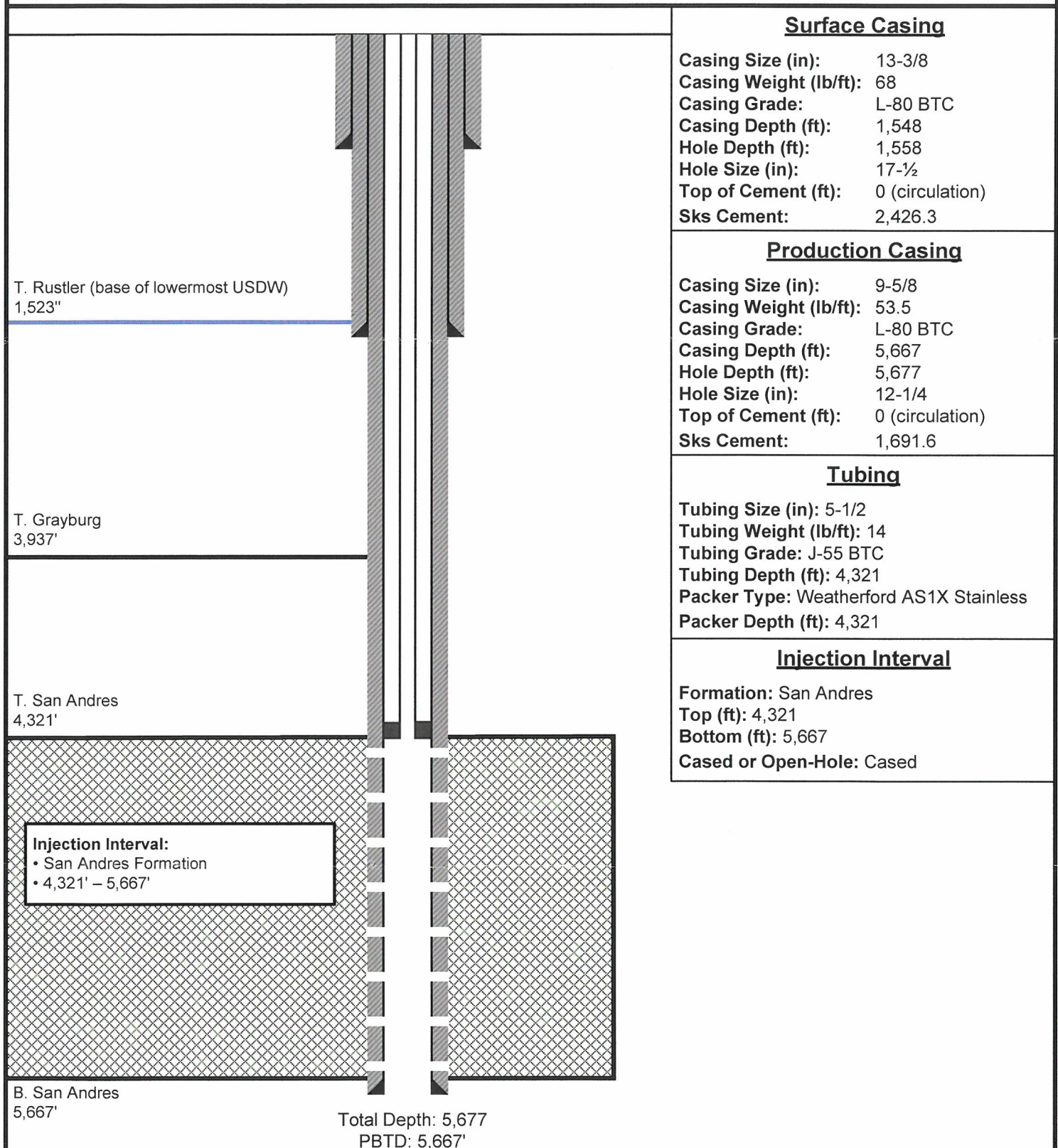
Geologic Description of Injection Interval - The proposed injection interval is located in the San Andres formation between the depths of 4,321 and 5,667 feet. The San Andres formation consists of an interbedded carbonate sequence composed of limestone and dolomite. These cycles tend to be mappable within the San Andres and are differentiated by sections of either very high or very low porosity and permeability development. Upper and lower confinement will be provided by tight carbonate facies present within San Andres that occur above and below the porous injection interval. The upper confining interval occurs at the top of the San Andres formation, directly underlying the Grayburg formation, and ranges from 125' – 150' net thickness based on a review of nearby open-hole geophysical logs. The lower confining interval occurs at the bottom of the San Andres formation, directly overlying the Glorieta formation, and ranges from 150' - 200' net thickness based on a review of nearby open-hole geophysical logs.

The base of the lowermost Underground Source of Drinking Water (USDW), identified as the top of the first anhydrite, was determined to occur at the top of the Rustler formation at a depth of 1,523'. Water wells in the area are drilled to a depth of approximately 50' - 175'.

Operational Data**Proposed Maximum Injection Rate:** 25,000 BWPD**Proposed Average Injection Rate:** 15,000 BWPD**Proposed Maximum Injection Pressure:** 864 psi (surface)**Proposed Average Injection Pressure:** 500-600 psi (surface)

Pilot Water Solutions SWD LLC

Dayne SWD State #1 Wellbore Diagram



Note: Listed depths and cement volumes are approximates based on available information.

NOT TO SCALE

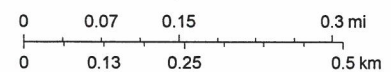
1/2 Mile Well & Lease Map



11/29/2023, 12:07:03 PM

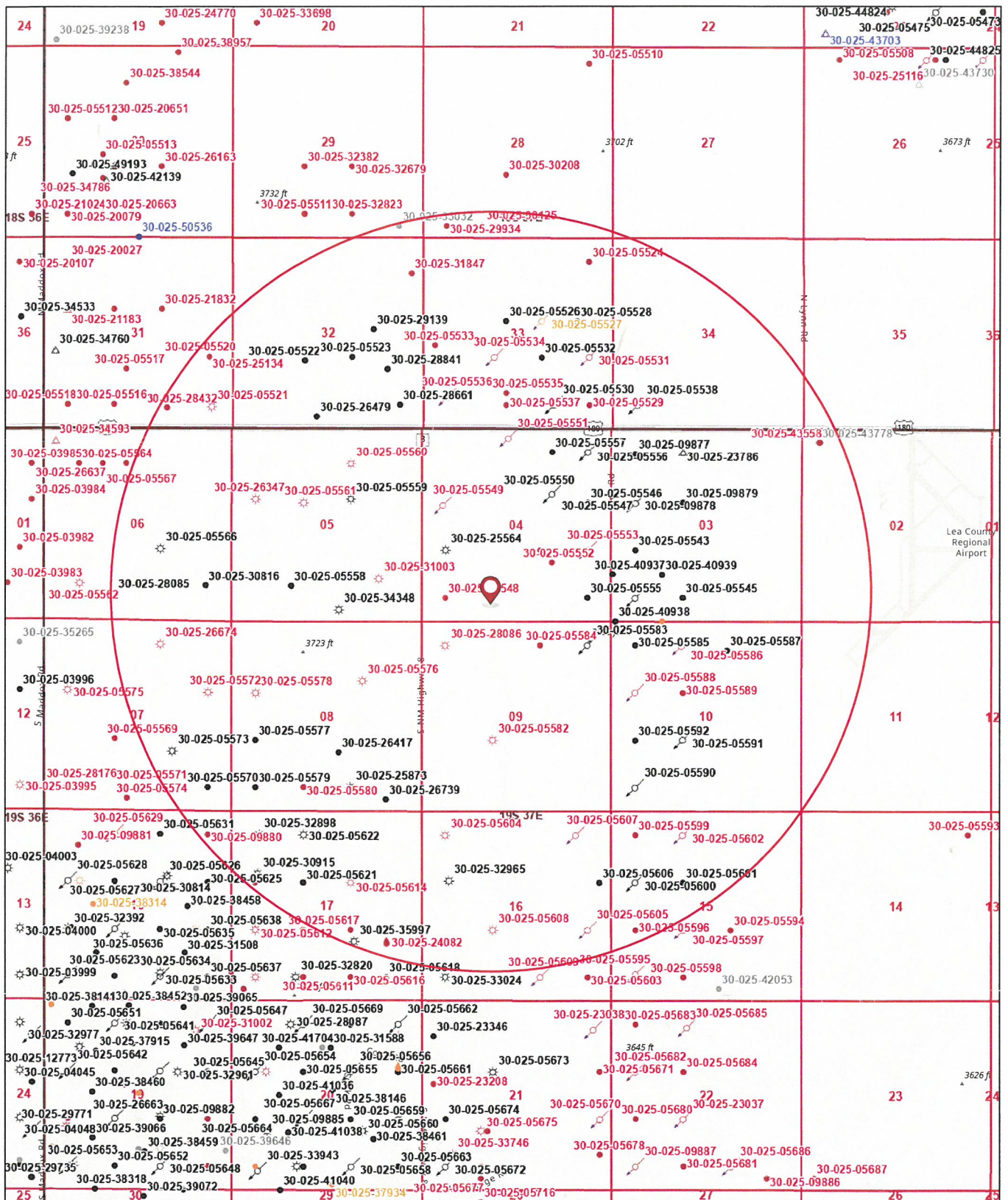
- Oil, Plugged
- ☆ Gas, Active
- ☆ Gas, Plugged
- Injection, Active
- Injection, Plugged
- Oil, Active
- Authorized
- Oil and Gas Leasing Restrictions
- Oil and Gas Leases
- PLSS Second Division
- PLSS First Division

1:9,028



Esri Community Maps Contributors, New Mexico State University, City of Hobbs, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc. METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, U.S. Department of

2 Mile Well Map

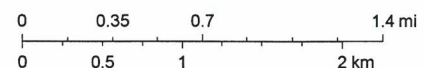


11/30/2023, 8:06:50 AM

Wells - Large Scale

- | | | |
|------------------------------|------------------------------------|-----------------------------------|
| ☆ Gas, Active | ● Injection, Temporarily Abandoned | △ Salt Water Injection, Cancelled |
| ○ Gas, Cancelled | ● Oil, Active | △ Salt Water Injection, New |
| ☆ Gas, Plugged | ● Oil, Cancelled | △ Salt Water Injection, Plugged |
| ☆ Gas, Temporarily Abandoned | ● Oil, New | ● Water, Plugged |
| ☆ Injection, Active | ● Oil, Plugged | ● Water, Temporarily Abandoned |
| ☆ Injection, Plugged | ● Oil, Temporarily Abandoned | □ PLSS First Division |
| | △ Salt Water Injection, Active | □ PLSS Townships |

1:36,112



Esri, NASA, NGA, USGS, FEMA, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., BLM, New Mexico State University, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS,

Well Data**Operator** - Pilot Water Solutions SWD LLC**Lease/Well Name & Number** - Ricky SWD State #1**Legal Location** - 953' FSL & 1,583' FWL - Unit N – Section 9 T19S R37E – Lea County**Casing Data**

Casing String	Hole Size (in)	Casing Size (in)	Casing Depth (ft)	Sacks Cement (sx)	Top of Cement (ft)	Method Determined
Surface	17-1/2	13-3/8	1,490	2,335.4	0	Circulation
Production	12-1/4	9-5/8	5,528	1,650.1	0	Circulation

Tubing: 5-1/2" fiberglass-coated tubing set at 4,280'**Packer:** Weatherford AS1X Stainless 9-5/8" X 5-1/2" set 4,280'**Geology Data****Injection Formation Name** - San Andres**Pool Name** - SWD; San Andres**Pool Code** – 96121**Injection Interval** - Cased-hole injection between 4,280' - 5,528'**Drilling Purpose** - New drill for injection**Other Perforated Intervals:** No other perforated intervals exist.**Overlying Oil and Gas Zones:**

- Yate (2,751')
- Seven Rivers (3,018')
- Queen (3,558')
- Grayburg (3,884')

Underlying Oil and Gas Zones – None

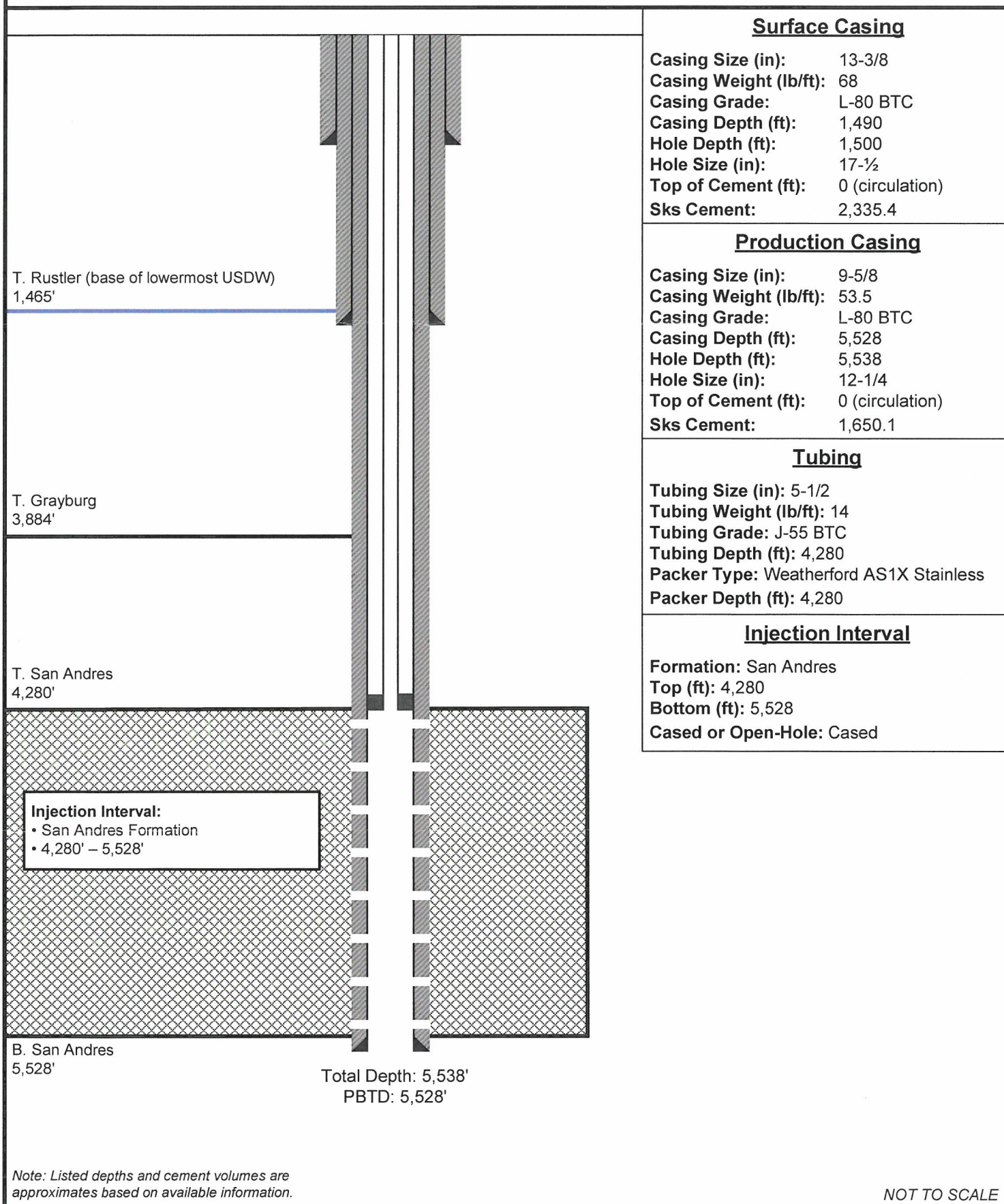
Geologic Description of Injection Interval - The proposed injection interval is located in the San Andres formation between the depths of 4,280 and 5,528 feet. The San Andres formation consists of an interbedded carbonate sequence composed of limestone and dolomite. These cycles tend to be mappable within the San Andres and are differentiated by sections of either very high or very low porosity and permeability development. Upper and lower confinement will be provided by tight carbonate facies present within San Andres that occur above and below the porous injection interval. The upper confining interval occurs at the top of the San Andres formation, directly underlying the Grayburg formation, and ranges from 125' – 150' net thickness based on a review of nearby open-hole geophysical logs. The lower confining interval occurs at the bottom of the San Andres formation, directly overlying the Glorieta formation, and ranges from 150' - 200' net thickness based on a review of nearby open-hole geophysical logs.

The base of the lowermost Underground Source of Drinking Water (USDW), identified as the top of the first anhydrite, was determined to occur at the top of the Rustler formation at a depth of 1,465'. Water wells in the area are drilled to a depth of approximately 72' - 132'.

Operational Data**Proposed Maximum Injection Rate:** 25,000 BWPD**Proposed Average Injection Rate:** 15,000 BWPD**Proposed Maximum Injection Pressure:** 856 psi (surface)**Proposed Average Injection Pressure:** 500-600 psi (surface)

Pilot Water Solutions SWD LLC

Ricky SWD State #1 Wellbore Diagram



1/2-Mile Well & Lease Map



11/30/2023, 1:23:46 PM

Wells - Large Scale



Gas, Active



Gas, Plugged



Injection, Active



Injection, Plugged



Oil, Active



Oil, Plugged



Oil and Gas Leases

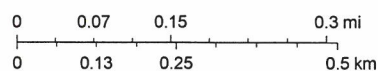


PLSS Second Division



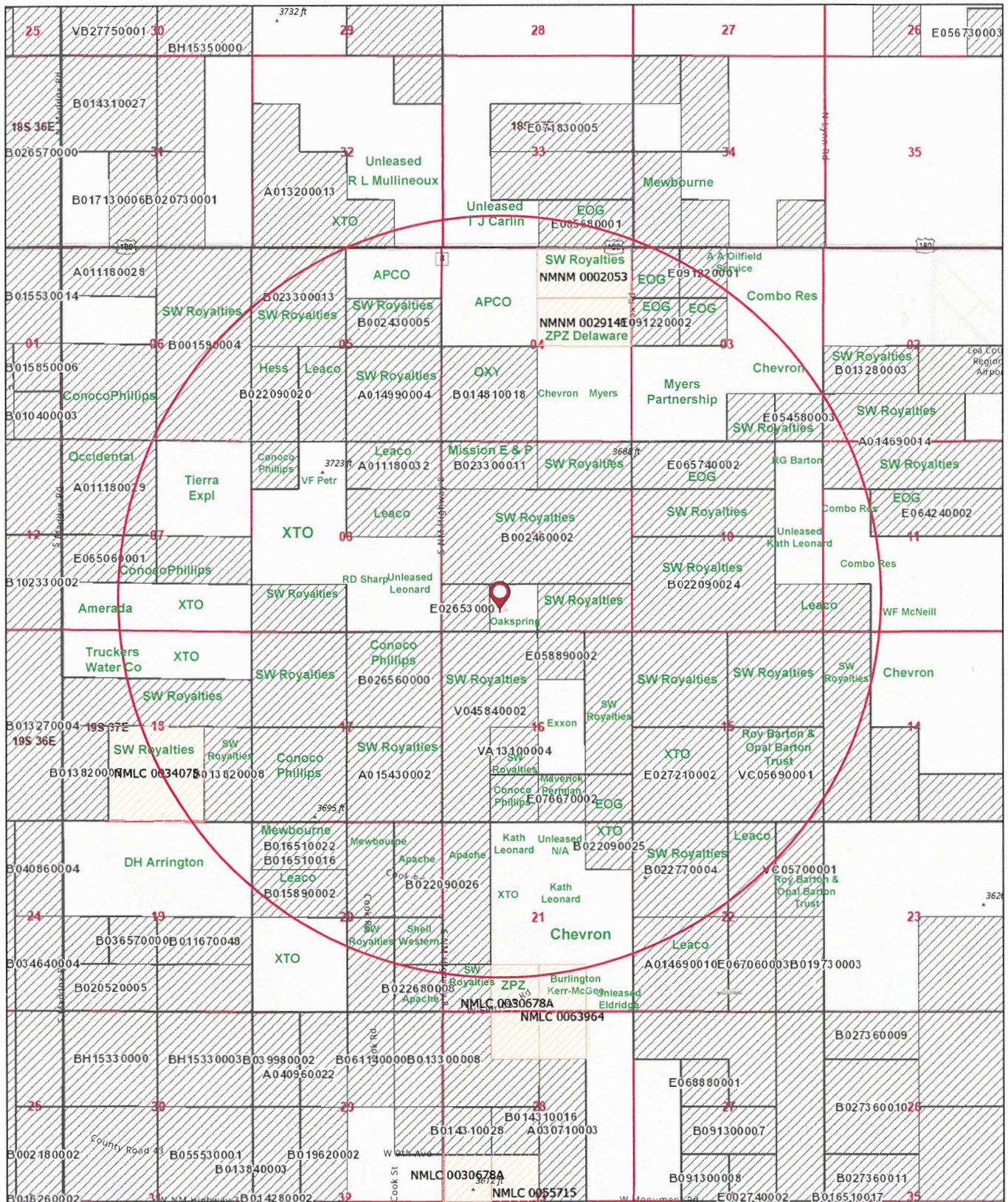
PLSS First Division

1:9,028



U.S. Department of Interior, Bureau of Land Management (BLM), Esri, NASA, NGA, USGS, FEMA, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, Esri Community Maps Contributors, New Mexico State University, Texas Parks &

2 Mile Lease Map



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 297012

CONDITIONS

Operator: Pilot Water Solutions SWD LLC 20 Greenway Plaza, Suite 200 Houston, TX 77046	OGRID: 331374
	Action Number: 297012
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	12/21/2023