

From: Sandoval, Stacy, EMNRD
To: SHAJAR@BTAOIL.COM
Cc: Goetze, Phillip, EMNRD; Wrinkle, Justin, EMNRD
Subject: Confirmation of Cancellation on July 11, 2024, of Form C-108 Application(s) Within the County Line SRA
Date: Tuesday, September 10, 2024 4:16:00 PM
Attachments: County Line Cancellation Notice-final.pdf
image001.png

Greetings Applicant:
The Oil Conservation Division ("OCD") enacted a Management Plan Revision (Revision No. 1 dated December 1, 2023) which increased injection volumes for some of the approved Underground Injection Control ("UIC") Class II disposal wells within County Line Seismic Response Area ("SRA"). Due to the occurrence of induced seismicity within the described area, OCD has worked with operators of active disposal wells to temporarily curtail injection and investigate the conditions contributing to induced seismicity. The Revision offers the opportunity for identifying an optimal capacity of disposal using existing wells within the SRA while mitigating induced seismicity. Existing permits already authorize significant disposal volumes that are well above the levels currently authorized under our seismic response protocol.

Consistent with its efforts to find a balance and manage seismicity with the SRA and considering the disposal authorized under current approved permits, OCD has determined that any increase in injection volumes with the completion of new disposal wells in the Devonian and Silurian intervals would likely contribute directly to the observed induced seismicity. OCD also believes that additional injection volumes would complicate the assessment effort and possibly result in greater reductions of injection capacity for existing operations. OCD provided this summary and the announcement for cancellation of UIC Class II permits within the 10-mile radius of the SRA in the Notice signed by the Director and dated July 11, 2024.

To supplement the Notice posted on the website, OCD is providing this email that includes a list of C-108 applications where your business was identified as the applicant for the UIC permit and were cancelled as a result of this action. Should you have any questions concerning this email or the content of the Notice, please contact Phillip Goetze, UIC Group Manager, at phillip.goetze@emnrd.nm.gov or by phone: 505.660.8274. Thank you.

| Assigned SWD No. | Admin App ID | API | Well Name | Applicant | Status | Date Received |
|------------------|----------------|----------------|---------------------|------------------------|-----------|---------------|
| SWD-2260 | pMAM1924046473 | 30-025-Pending | MESA 8105 SWD No. 2 | BTA Oil Producers, LLC | Protested | 8/27/2019 |

Thank you,
Stacy Sandoval
Petroleum Specialist B
Stacy.Sandoval@emnrd.nm.gov



State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary-Designate

Dylan M. Fuge
Deputy Secretary

Dylan M. Fuge, Division Director (Acting)
Oil Conservation Division



NOTICE
SEISMICITY RESPONSE PROTOCOL
Cancellation of Pending Permit Applications
for Underground Injection Control Class II Disposal Wells
Within the County Line Seismic Response Area

July 11, 2024

After a comprehensive internal review, which included consultation with Oil Conservation Division ("OCD") internal and external industry experts, the OCD recently enacted a Management Plan Revision (Revision No. 1 dated December 1, 2023) which increased injection volumes for some of the approved Underground Injection Control ("UIC") Class II disposal wells within County Line Seismic Response Area ("SRA"). Due to the occurrence of induced seismicity within the described area, OCD has worked with operators of active disposal wells to temporarily curtail injection and investigate the conditions contributing to induced seismicity. The Revision offers the opportunity for identifying an optimal capacity of disposal using existing wells within the SRA while mitigating induced seismicity. Existing permits already authorize significant disposal volumes that are well above the levels currently authorized under our seismic response protocol.

Consistent with its efforts to find a balance and manage seismicity with the SRA and considering the disposal authorized under current approved permits, OCD has determined that any increase in injection volumes with the completion of new disposal wells in the Devonian and Silurian intervals would likely contribute directly to the observed induced seismicity. OCD also believes that additional injection volumes would complicate the assessment effort and possibly result in greater reductions of injection capacity for existing operations.

Therefore, OCD has identified (75) UIC Class II permit applications within the 10-mile radii that are to be administratively cancelled unless and until such time that the OCD our proponents of those wells are able to demonstrate that additional disposal capacity with the SRA can be accommodated without increasing seismic activity. The cancellations are to be effective immediately. Applications to be cancelled shall include pending applications and protested applications. The injection authority of UIC Class II wells for Devonian and Silurian disposal that are within the SRA, which are only authorized under a UIC Permit and do not have an approved APD, shall not be extended. Applications which are part of Division hearing cases shall be addressed through the OCD adjudication process including OCD filings for dismissal of the cases.

A map showing the SRA and the applications and UIC permits to be impacted follows this notice (Appendix A). Along with the map, OCD has compiled a list of applications to be cancelled. OCD will also provide written notice through electronic mail to the individual operators or their representatives that submitted the applications.

OCD will continue testing operational conditions and restrictions according to its Seismic Response Protocol and pursuant to 1978 NMSA 70-2-12 until such time as sufficient data is

acquired to map related faulting and establish permissible injection rates which protect correlative rights and ensure confinement of injected water in the appropriate strata.

With this action, OCD is also announcing that it shall not be accepting new applications within the SRA until it has been demonstrated that approval of new disposal wells will not result in increased seismic activity.

For more information or questions regarding this matter, please contact Justin Wrinkle, Engineering Bureau Chief, justin.wrinkle@emnrd.nm.gov , (505) 670-0802.

Approved by the Director

A handwritten signature in black ink, appearing to read 'Dylan Fuge', is written over a horizontal line.

Dylan Fuge
Acting Director
EMNRD Deputy Secretary

SEISMICITY RESPONSE PROTOCOL
Cancellation of Pending Permit Applications
for Underground Injection Control Class II Disposal Wells
Within the County Line Seismic Response Area

TABLE OF CANCELLED APPLICATIONS FOR UIC CLASS II SILURO-DEVONIAN DISPOSAL WELLS

| | Assigned SWD No. | Admin App ID | API | Well Name | Applicant | Status | Date Received |
|----|------------------|----------------|----------------|---|--|-------------------------------|---------------|
| 1 | SWD-1776 | pMAM1828851695 | 30-025-Pending | Linda SWD No. 1 | Mesquite SWD Inc. | Protested | 10/16/2018 |
| 2 | SWD-1780 | pMAM1827553727 | 30-015-Pending | Baker SWD No. 1 | Mesquite SWD Inc. | In Progress | 10/3/2018 |
| 3 | SWD-1782 | pMAM1826355651 | 30-015-Pending | Dillinger Fed SWD No. 1 | Solaris Water Midstream, LLC | Protested | 9/20/2018 |
| 4 | SWD-1855 | pLEL1832554216 | 30-015-Pending | Red Bellied Cooter SWD No. 1 | Mesquite SWD Inc. | In Progress | 11/9/2018 |
| 5 | SWD-1896 | pMAM1820056178 | 30-015-44569 | Poker Lake Unit Big Sinks 32 State SWD No. 11 | XTO Permian Operating LLC [BOPCO LP] | In Progress | 7/10/2018 |
| 6 | SWD-1901 | pMAM1903649827 | 30-015-Pending | Ross Draw SWD No. 1 | Judah Oil LLC | Protested | 11/28/2018 |
| 7 | SWD-1911 | pPRG1903935330 | 30-015-24724 | Poker Lake Unit State SWD No. 63 | POCO Resources LLC | Protested | 12/30/2018 |
| 8 | SWD-1978 | pMAM1905931295 | 30-025-Pending | Columbus Fee SWD No. 1 | ConocoPhillips | Approved; term extension | 2/25/2019 |
| 9 | SWD-1982 | pMAM1906346538 | 30-025-Pending | Bottomless Pit Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 2/26/2019 |
| 10 | SWD-1989 | pMAM1903248173 | 30-015-45239 | Ross Draw SWD No. 1 | Solaris Water Midstream, LLC | In Progress | 2/1/2019 |
| 11 | SWD-1991 | pMAM1907140751 | 30-025-Pending | Guzzler Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 3/12/2019 |
| 12 | SWD-2002 | pMAM1907956968 | 30-015-45434 | Jesse Spano State SWD No. 1 | Solaris Water Midstream, LLC | In Progress | 3/20/2019 |
| 13 | SWD-2006 | pMAM1908150633 | 30-015-Pending | Crazy Ant Federal SWD No. 1 | Blackbuck Resources, LLC | Protested | 3/22/2019 |
| 14 | SWD-2012 | pMAM1908534167 | 30-015-Pending | WLC M Federal SWD No. 4 | Trove Energy and Water, LLC | Protested | 3/25/2019 |
| 15 | SWD-2029 | pMAM1909252903 | 30-015-Pending | Poker Lake Unit TWR 21 SWD No. 9 | XTO Permian Operating LLC [BOPCO LP] | Protested | 3/28/2019 |
| 16 | SWD-2033 | pMAM1909356332 | 30-015-Pending | Delta SWD No. 1 | Delaware Energy, LLC | Protested | 4/3/2019 |
| 17 | SWD-2049 | pSD1910641452 | 30-015-Pending | Echo SWD No. 1 | Delaware Energy, LLC | In Progress | 4/5/2019 |
| 18 | SWD-2050 | pSD1910642942 | 30-015-Pending | Sierra SWD No. 1 | Delaware Energy, LLC | In Progress | 4/5/2019 |
| 19 | SWD-2084 | pMAM1912728873 | 30-025-Pending | Bullseye Federal SWD No. 1 | Permian Oilfield Partners, LLC | Approved; extension requested | 4/30/2019 |
| 20 | SWD-2085 | pMAM1912729599 | 30-025-Pending | Screaming Vacuum Fed SWD No. 2 | Permian Oilfield Partners, LLC | Protested | 4/30/2019 |
| 21 | SWD-2088 | pMAM1912736099 | 30-025-Pending | Tidal Wave Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 4/30/2019 |
| 22 | SWD-2090 | pMAM1912738972 | 30-025-Pending | Chugger State SWD No. 1 | Permian Oilfield Partners, LLC | In Progress | 5/7/2019 |
| 23 | SWD-2095 | pLEL1912752463 | 30-025-Pending | Caltrops State SWD No. 1 | Solaris Water Midstream, LLC | Protested | 4/26/2019 |
| 24 | SWD-2097 | pMAM1912757315 | 30-025-Pending | Salvo Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 4/29/2019 |
| 25 | SWD-2102 | pMAM1912859652 | 30-025-Pending | Crossfire Federal SWD No. 1 | Permian Oilfield Partners, LLC | In Progress | 4/30/2019 |
| 26 | SWD-2102 | pLEL1912859561 | 30-025-Pending | Mind The Gap Federal SWD No. 1 | Permian Oilfield Partners, LLC | In Progress | 4/30/2019 |
| 27 | SWD-2103 | pMAM1912860008 | 30-025-Pending | Straight Shooter State SWD No. 1 | Permian Oilfield Partners, LLC | Approved; extension requested | 4/30/2019 |
| 28 | SWD-2105 | pLEL1912862262 | 30-025-Pending | Deep Thirst Federal SWD No. 2 | Permian Oilfield Partners, LLC | In Progress | 4/30/2019 |
| 29 | SWD-2106 | pMAM1912938819 | 30-025-Pending | Bottomless Pit Federal SWD No. 2 | Permian Oilfield Partners, LLC | Protested | 4/30/2019 |
| 30 | SWD-2113 | pMAM1913547282 | 30-025-Pending | Threaded Needle Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 5/6/2019 |
| 31 | SWD-2117 | pMAM1913552521 | 30-025-Pending | FLC South Federal SWD No. 1 | Trove Energy and Water, LLC | In Progress | 5/13/2019 |
| 32 | SWD-2118 | pMAM1913553333 | 30-025-Pending | Jack Hammack Federal No. 1 | Longwood Water Management Company, LLC | In Progress | 5/15/2019 |
| 33 | SWD-2119 | pMAM1914335024 | 30-025-Pending | Waterfall Federal SWD No. 1 | Permian Oilfield Partners, LLC | In Progress | 5/16/2019 |
| 34 | SWD-2123 | pMAM1914345314 | 30-015-Pending | Big Blue Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 5/23/2019 |
| 35 | SWD-2124 | pMAM1914345832 | 30-015-Pending | White Cap Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 5/22/2019 |

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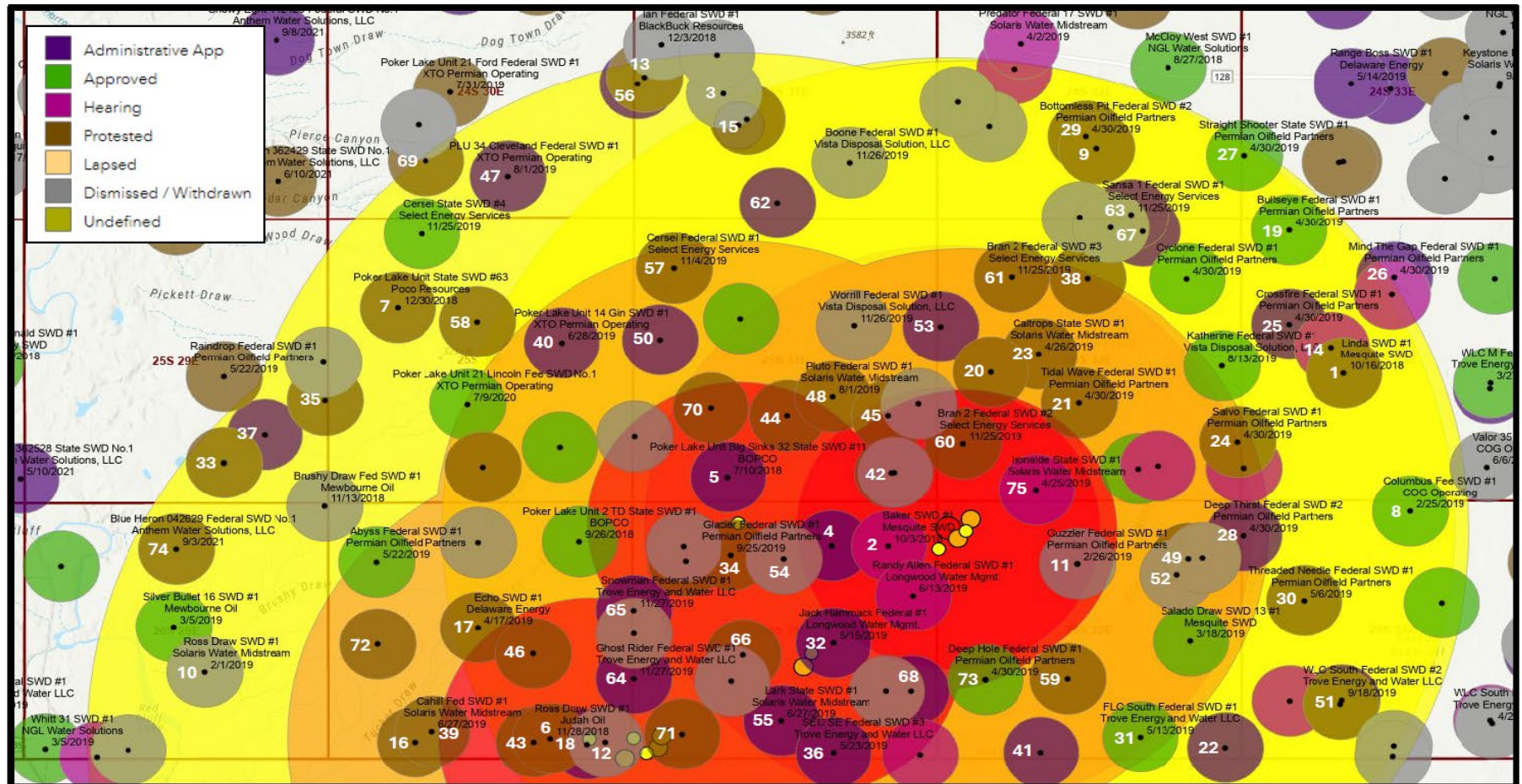
TABLE OF CANCELLED APPLICATIONS FOR UIC CLASS II SILURO-DEVONIAN DISPOSAL WELLS

| | Assigned SWD No. | Admin App ID | API | Well Name | Applicant | Status | Date Received |
|----|------------------|----------------|----------------|--|--|------------------------|---------------|
| 36 | SWD-2135 | pMAM1914436200 | 30-015-Pending | SEC SE Federal SWD No. 3 | Trove Energy and Water, LLC | In Progress | 5/23/2019 |
| 37 | SWD-2144 | pMAM1915657846 | 30-015-Pending | CC SR 26 Salisbury SWD | XTO Energy, Inc. | In Progress | 5/29/2019 |
| 38 | SWD-2145 | pMAM1915658350 | 30-025-Pending | Jupiter Federal SWD No. 1 | Solaris Water Midstream, LLC | Protested | 5/29/2019 |
| 39 | SWD-2174 | pMAM1917853144 | 30-015-Pending | Cahill Fed SWD No. 1 | Solaris Water Midstream, LLC | Protested | 6/27/2019 |
| 40 | SWD-2177 | pMAM1918231216 | 30-015-Pending | Poker Lake Unit 14 Gin SWD No. 1 | XTO Permian Operating LLC | In Progress | 6/28/2019 |
| 41 | SWD-2182 | pMAM1919032787 | 30-025-Pending | Big Swig Federal SWD No. 1 | Permian Oilfield Partners, LLC | In Progress | 7/9/2019 |
| 42 | SWD-2195 | pMAM1919855982 | 30-015-Pending | Osprey State SWD No. 1 | Solaris Water Midstream, LLC | Protested | 7/17/2019 |
| 43 | SWD-2210 | pMAM1920731682 | 30-015-Pending | Cordell Federal SWD No. 1 | Solaris Water Midstream, LLC | Protested | 7/22/2019 |
| 44 | SWD-2215 | pMAM1921148076 | 30-025-Pending | Renegade Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 7/30/2019 |
| 45 | SWD-2216 | pMAM1921149386 | 30-015-Pending | Rebel Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 7/30/2019 |
| 46 | SWD-2220 | pMAM1921257860 | 30-015-Pending | Trivette Fed SWD No. 1 | Solaris Water Midstream, LLC | Protested | 7/30/2019 |
| 47 | SWD-2223 | pMAM1921350099 | 30-015-Pending | PLU 34 Cleveland Federal SWD No. 1 | XTO Permian Operating LLC | In Progress | 7/31/2019 |
| 48 | SWD-2225 | pMAM1921434360 | 30-015-Pending | Pluto Federal SWD No. 1 | Solaris Water Midstream, LLC | Protested | 8/2/2019 |
| 49 | SWD-2260 | pMAM1924046473 | 30-025-Pending | MESA 8105 SWD No. 2 | BTA Oil Producers, LLC | Protested | 8/27/2019 |
| 50 | SWD-2270 | pKAM1925556844 | 30-005-Pending | Poker Lake Unit 18 Rummy Fed SWD No. 1 | XTO Permian Operating LLC | In Progress | 9/10/2019 |
| 51 | SWD-2283 | pLEL1926127912 | 30-025-Pending | WLC South Federal SWD No. 2 | Trove Energy and Water, LLC | In Progress | 8/19/2019 |
| 52 | SWD-2285 | pLEL1926759694 | 30-025-Pending | Bran 1 Federal SWD No. 1 | Select Energy Services, LLC | Protested | 9/23/2019 |
| 53 | SWD-2286 | pLEL1926936398 | 30-025-Pending | Bran 2 Federal SWD No. 1 | Select Energy Services, LLC | In Progress; suspended | 9/23/2019 |
| 54 | SWD-2297 | pDM1926960462 | 30-015-Pending | Glacier Federal SWD No. 1 | Permian Oilfield Partners, LLC | Protested | 9/25/2019 |
| 55 | SWD-2303 | pKAM1928134119 | 30-015-Pending | Lark State SWD No. 1 | Solaris Water Midstream, LLC | In Progress | 6/27/2019 |
| 56 | SWD-2311 | pDHR1930947870 | 30-015-Pending | Poker Lake Unit 19 Madison Fed SWD No. 1 | XTO Permian Operating LLC | In Progress | 10/9/2019 |
| 57 | SWD-2313 | pDHR1931750310 | 30-015-Pending | Cersei Federal SWD No. 1 | Select Energy Services, LLC | Protested | 11/4/2019 |
| 58 | SWD-2316 | pBL1932658509 | 30-015-Pending | Cersei State SWD No. 3 | Select Energy Services, LLC | Protested | 11/4/2019 |
| 59 | SWD-2323 | pBL1932959960 | 30-025-Pending | Bran 1 Federal SWD No. 1 | Select Energy Services, LLC | Protested | 11/25/2019 |
| 60 | SWD-2324 | pBL1933029868 | 30-025-Pending | Bran 2 Federal SWD No. 2 | Select Energy Services, LLC | Protested | 11/25/2019 |
| 61 | SWD-2325 | pBL1933031231 | 30-025-Pending | Bran 2 Federal SWD No. 3 | Select Energy Services, LLC | Protested | 11/25/2019 |
| 62 | SWD-2326 | pBL1933032216 | 30-015-Pending | Cersei Federal SWD No. 2 | Select Energy Services, LLC | In Progress | 11/25/2019 |
| 63 | SWD-2330 | pBL1933036293 | 30-025-Pending | Sansa 1 Federal SWD No. 1 | Select Energy Services, LLC | In Progress | 11/25/2019 |
| 64 | SWD-2339 | pBL1933153543 | 30-015-Pending | Ghost Rider Federal SWD No. 1 | Trove Energy and Water, LLC | In Progress | 11/27/2019 |
| 65 | SWD-2340 | pBL1933635804 | 30-015-Pending | Snowman Federal SWD No. 1 | Trove Energy and Water, LLC | In Progress | 11/27/2019 |
| 66 | SWD-2342 | pBL1934051302 | 30-015-Pending | Flowers SWD No. 3 | Longwood Water Management Company, LLC | In Progress | 12/6/2019 |
| 67 | SWD-2348 | pBL1934437882 | 30-025-Pending | Colt State SWD No. 1 | Solaris Water Midstream, LLC | In Progress | 6/27/2019 |
| 68 | SWD-2355 | pBL1934643155 | 30-015-Pending | Midnight Flyer Fed SWD No.1 | Trove Energy and Water, LLC | In Progress | 12/12/2019 |
| 69 | SWD-2367 | pJAG2001553829 | 30-015-Pending | Poker Lake Unit 29 Canasta Fed SWD No. 1 | XTO Permian Operating LLC | In Progress | 1/15/2020 |
| 70 | SWD-2428 | pBL2116953045 | 30-015-Pending | Killdeer 292531 Federal SWD No.1 | Anthem Water Solutions, LLC | In Progress | 6/11/2021 |

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| | Assigned SWD No. | Admin App ID | API | Well Name | Applicant | Status | Date Received |
|----|------------------|----------------|----------------|---|--------------------------------|-------------|---------------|
| 71 | SWD-2429 | pBL2116953697 | 30-015-Pending | Montezuma Quail 302631 Federal SWD No.1 | Anthem Water Solutions, LLC | Protested | 6/11/2021 |
| 72 | SWD-2432 | pBL2116955909 | 30-015-Pending | Roadrunner 182630 Federal SWD No. 1 | Anthem Water Solutions, LLC | In Progress | 6/16/2021 |
| 73 | SWD-2440 | pBL2120442414 | 30-025-47934 | Deep Hole Federal SWD No.1 | Permian Oilfield Partners, LLC | In Progress | 7/21/2021 |
| 74 | SWD-2455 | pBL2124636920 | 30-025-Pending | Blue Heron 042629 Federal SWD No. 1 | Anthem Water Solutions, LLC | In Progress | 9/3/2021 |
| 75 | SWD-2518 | pAZS2300354936 | 30-025-Pending | Ironside State SWD No. 1 | Solaris Water Midstream, LLC | In Progress | 4/25/2019 |



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 397832

CONDITIONS

| | |
|---|--|
| Operator: NEW MEXICO ENERGY MINERALS & NATURAL RESOURCE 1220 S St Francis Dr Santa Fe , NM 87504 | OGRID: 264235 |
| | Action Number: 397832 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | Condition | Condition Date |
|----------------|-----------|----------------|
| stacy.sandoval | None | 10/31/2024 |