

Submit 1 Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-27364
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> SWD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator PRODUCTION WASTE SOLUTIONS, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 146 Commerce Dr., Andrews, TX 79714		7. Lease Name or Unit Agreement Name Sand Point State SWD
4. Well Location Unit Letter <u>K</u> : <u>2673</u> feet from the <u>North</u> line and <u>1650</u> feet from the <u>West</u> line Section <u>2</u> Township <u>21-S</u> Range <u>28-E</u> NMPM County <u>Eddy</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3324' GL		9. OGRID Number <u>371912</u>
		10. Pool name or Wildcat SWD; Delaware (96100)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: STEP-RATE TEST <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Production Waste Solutions, LLC is requesting to perform a step rate test to determine if injection pressure can be raised without fracturing the formation.

Please find proposed procedure and other documentation attached for your review

[Workover]
 Spud Date:

~4/08/2025 - MIRU

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ben Stone TITLE Agent for Production Waste Solutions DATE 4/04/2025

Type or print name Ben Stone E-mail address: ben@sosconsulting.us PHONE: 936-367-5950

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

PRODUCTION WASTE SOLUTIONS**Sand Point State SWD #1**

30-015-27346

K-2-21S-28E

Eddy County, New Mexico

**Objective**

Perform a step-rate test on the Sand Point State SWD #1 to establish whether an injection pressure can be justified without fracturing the formation. Approximately 45-minute steps considering average permeability in the Upper Delaware (Bell Canyon and Cherry Canyon) is ~9 to 15md. (Generally 3 to 15md and locally as high as 20md as trending downward in the Cherry Canyon portion.)

- Estimated BHP bomb set date – 4/07/2025
- Estimated Well SI date - 4/09/2025
- Estimated SRT date - 4/11/2025 (~48 hours after well is shut in)
- Pressure Bomb retrieval date – 4/14/2025

Wellbore: Casing, Tubing, Perforations (Refer to the attached wellbore diagram)

- 5.5" 15.5# cgs @ 6285' w/ 200 sx Poz Mix (TOC @ 2200' TS)
- 2.875" DuoLine Tubing w/ Packer set @ 3489'
- Bell and Cherry Canyon [Upper DMG] Perfs: 3530'-60', 3732'-46', 3768'-80', 3890'-3902', 3925'-38', 3990'-4006', 4076'-96', 4275'-88', 4396'-4412'
- CIBP @ 4550' w/ cmt cap tagged @ 4480'
- All wellhead valves, flanges and connections rated @ 3000 WP.

Overview of Test Operations

Production Waste Solutions is committed to a safe working environment for all personnel. A safety meeting will be held prior to commencing each operation in order to clarify objectives, roles and responsibilities, identify all potential risks and hazards and conduct operations that are safe and environmentally sound. Meetings will be documented in daily operational reports.

Perform Safety Check and Meeting

Recheck all pump lines, valves and connected equipment (transducers, gauges, etc.) from pump trucks to wellhead. Conduct safety meeting prior to rigging up equipment on location. Discuss the job procedure and goals with all personnel on location. Document the safety meeting on the daily report. Make note of all potential risks and hazards including weather and wind direction. Identify emergency routes, meet-up/ safety areas, evacuation methods and vehicles. Make note of any new or inexperienced personnel on location and engage to ensure their understanding and cooperation and to ensure proper Personal Protective Equipment (PPE) is used during the job. Minimums are hard hats, steel toes, safety glasses, H₂S monitors, and FR certified clothing as required. Designate an upwind smoking area off location and minimum of 100' from any potential hydrocarbon source.

Preparation

1. Set 2 - 500 bbl Frac tanks on location and begin filling with produced water from the facility. Do not use fresh water or produced water (recycled OK). Load hole completely. Stay attached to water tanks at the facility so water can be used at the end of the test if needed.
2. Wellhead is rated to 3,000 psi. Ensure all wellhead valves meet or exceed 3K.

72 hours before SRT

3. Notify OCD representative SRT is planned – date and time to occur. Note: MIT will be conducted just prior to the SRT. **Ensure chart recorder (w/ current calibration) is on location.**
4. Ensure well is static or on vacuum; MIRU Renegade Wireline slickline truck and crane, utilize lubricator/pack-off for well control.
 - Run in hole with BHP bomb and set at ~3,520' from surface on top of the F profile nipple. Note: Ensure bomb is rated to 10k psi or greater and can collect 1 million data points and set to collect data 1 count per second; ~11.5 days of data collection in case of delay.

48 hours before SRT

5. Shut in well and isolate injection line. Ensure that NO injection can occur prior to test.

Step Rate Test Procedure

6. Ensure pumps will produce 9 bpm at 5000 psi. Excepting pressure test, max pressure limit for the job is 3000 psi. RU pump and manifold both frac tanks together. Run dual 2" injection lines.
 - a) RU an injection line and pressure transmitter to the production casing-tubing annulus and pressure up to 500 psi and preform an MIT. (Service company must save and export this data to an appropriate filename; clear data and prepare for SRT data collection.)
 - b) Install pressure transmitters on the tubing (not the discharge of the pump), and on the production casing.
 - c) A turbine meter must be used to measure injection rate.
 - d) Rig both injection lines up to the tubing.
7. Close bottom master valve and open all other valves and test iron and wellhead to 5000 psi.
8. Open lower master valve and **begin step rate test**. Follow schedule exactly (see below). DO NOT stop injection and DO NOT alter schedule. Steps need to be exactly at prescribed rates and for exactly 45 minutes UNLESS breakdown is observed and 2 more steps passed that are not in the schedule.
 - a) If this is the case and there is pressure headroom, divide the remaining pressure rating of the wellhead by number of remaining steps needed to get to 3 and add 1 – target a starting pressure for those remaining step instead of rate.

Example: Stage 6 break is observed at 2500 psi and wellhead is rated to 3000 psi. $3000 - 2500 = 500$ psi. 2 more stages needed, add one. $500/3 = 166$ psi. Stage 7 should be started at 2666 psi and stage 8 started at the end of stage 7 pressure plus 166 psi. Rate is to be held steady through the remainder of the stage. Stage length is to be the same as the previous stages.

- b) If there is no more pressure headroom available, hold the rate steady for the amount of time equivalent to running the extra number of stages - document in stage notes.

Example: If breakdown is observed on stage 6, and the ending pressure of stage 6 is 2950 psi and wellhead is rated to 3000 psi, keep the same rate of stage 6 for stage 7 and 8.

Step Rate Test					
Step	Time Start (mins)	Time End (mins)	Rate (BPM)	Stage Volume (Bbl)	Cumulative Volume (Bbl)
1	0	45	0.3	14	13.5
2	45	90	0.6	27	40.5
3	90	135	1.2	54	94.5
4	135	180	2.4	108	202.5
5	180	225	3.6	162	364.5
6	225	270	4.8	216	580.5
7	270	315	6.0	270	850.5

9. RD pump and iron.
10. MIRU Slickline unit (crane if required).
11. RIH to 3,520' to retrieve the BHP Bomb. **Send all data w/ charts to PWS engineer.**

Conclusion and Results of SRT

12. Successful test data will be analyzed, assembled with all charts and supporting data and submitted to the NMOCD on a subsequent sundry (C-103Z) to request increase in injection pressure if warranted.



WELL SCHEMATIC - CURRENT Sand Point State SWD #1

API 30-015-27346

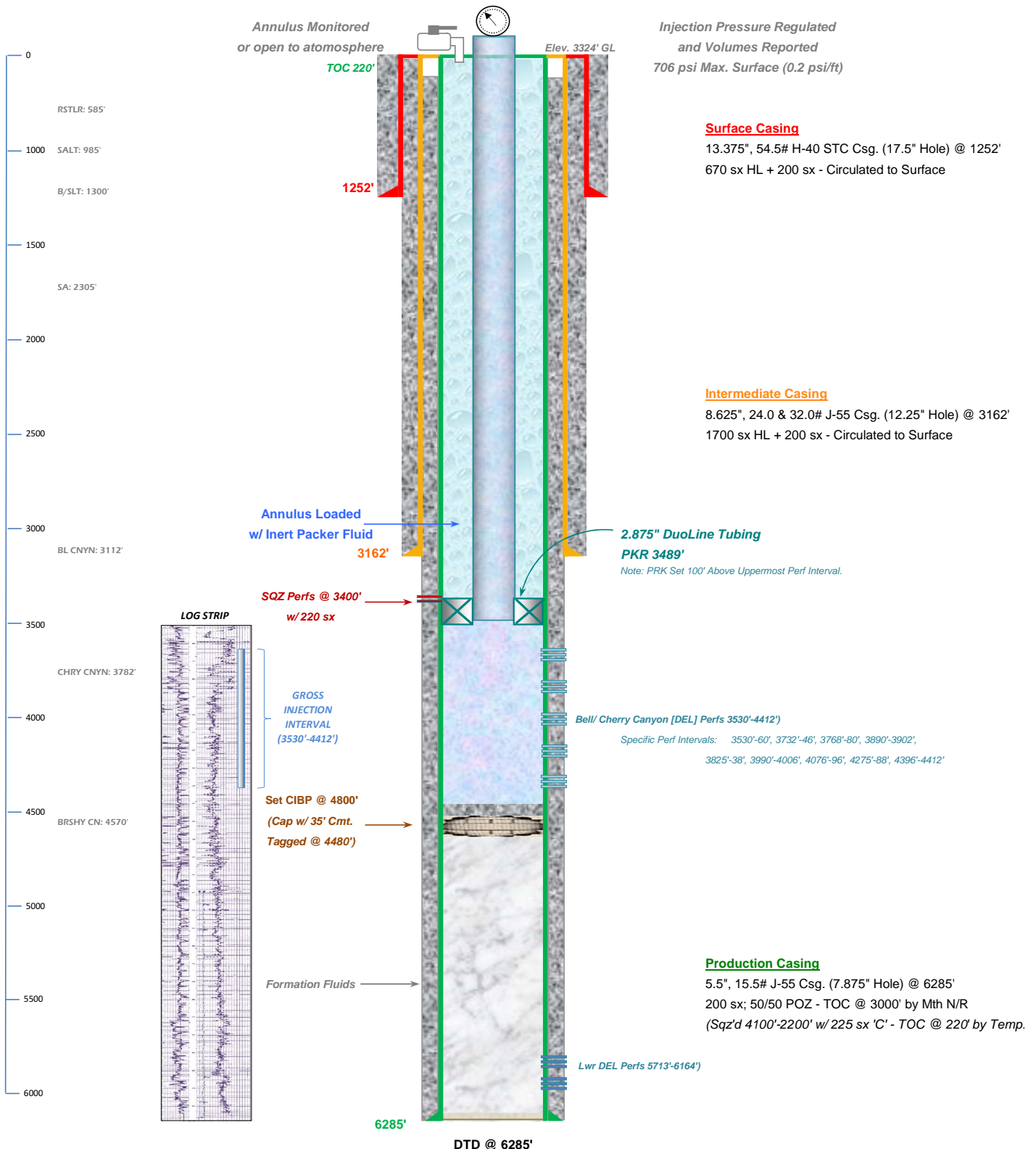
2673' FNL & 1650' FWL, SEC. 2-T21S-R28E
EDDY COUNTY, NEW MEXICO

OCD Order SWD-1451

SWD; Delaware (96100)

Spud Date: 5/04/1993

Config SWD Dt: 12/10/201

Injection Pressure Regulated
and Volumes Reported
706 psi Max. Surface (0.2 psi/ft)**Surface Casing**13.375", 54.5# H-40 STC Csg. (17.5" Hole) @ 1252'
670 sx HL + 200 sx - Circulated to Surface**Intermediate Casing**8.625", 24.0 & 32.0# J-55 Csg. (12.25" Hole) @ 3162'
1700 sx HL + 200 sx - Circulated to Surface

Drawn by: Ben Stone, 4/03/2025



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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Action 448889

CONDITIONS

Operator: PRODUCTION WASTE SOLUTIONS LLC 1101 SE Mustang Dr Andrews, TX 79714	OGRID: 371912
	Action Number: 448889
	Action Type: [C-103] NOI General Sundry (C-103X)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	Since the wellhead is 3000 PSI rated, please ensure that the maximum SRT testing pressure is at least 10% below the wellhead pressure rating. Ensure the utilization of BOP in the SRT procedure.	4/17/2025