Received by OCD: 5/11/2025 9:50:45 AM

Submit 1 Copy To Appropriate District Office <u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210 <u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mext Energy, Minerals and Natura OIL CONSERVATION I 1220 South St. Franc Santa Fe, NM 875	l Resources DIVISION is Dr.	Form C-10 Revised July 18, 201 WELL API NO. 30-025-51764 5. Indicate Type of Lease STATE FEE 6. State Oil & Gas Lease No.	-
	CES AND REPORTS ON WELLS		7. Lease Name or Unit Agreement Name	
	ALS TO DRILL OR TO DEEPEN OR PLUG ATION FOR PERMIT" (FORM C-101) FOR		WILDRYE FEE SWD	
·	Gas Well 🗌 Other 📕 SALTWAT	TER DISPOSAL	8. Well Number 1	
2 Name of Operator	Vater Midstream, LLC		9. OGRID Number 333197	
3. Address of Operator 1008 Sou	uthview Circle		10. Pool name or Wildcat	
Center, 7	Texas 75935		SWD; DEVONIAN-SILURIAN	
4. Well Location		÷		
Unit Letter <u>A</u> :	410 feet from the NORTH	I line and	240 feet from the <u>EAST</u> line	
Section 20	Township 19S Rang	ge 35E	NMPM County LEA	
	11. Elevation (Show whether DR, R 3,797' (GR)	2KB, RT, GR, etc.)		
12. Check A	ppropriate Box to Indicate Nat	ure of Notice, F	Report or Other Data	
NOTICE OF IN	TENTION TO	SUBS	EQUENT REPORT OF:	
		REMEDIAL WORK]

PERFORM REMEDIAL WORK 🗌	PLUG AND ABANDON		REMEDIAL WORK		ALTERING CASING	
TEMPORARILY ABANDON	CHANGE PLANS		COMMENCE DRILLING OPI	NS.	P AND A	
PULL OR ALTER CASING] MULTIPLE COMPL		CASING/CEMENT JOB			
DOWNHOLE COMMINGLE]					
CLOSED-LOOP SYSTEM]					
OTHER:			OTHER:		Step-Rate Test Report	
12 D 1	1 + 1 + 1 + (C1 + 1)	11	· · · · · · · · · · · · · · · · · · ·	1 .	· 1 1 · · · · · 1	1 4

 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.

WILDRYE FEE SWD WELL #1 (API: 30-025-51764) -- UIC PERMIT # SWD-2369 SUBSEQUENT REPORT OF STEP-RATE INJECTION TESTING

On behalf of Ranger Water Midstream, LLC (Ranger), we (Geolex, Inc.) are providing this subsequent report of step-rate injection testing (SRT) activities, which were completed on April 14, 2025 for the existing Wildrye SWD #1 well (API: 30-025-51764). The results of these testing activities, are summarized in this submittal in the attached figures and data displays, which demonstrate that testing activities were completed with no indication of formation breakdown pressure being exceeded and within the limits of the permitted maximum allowable operating pressure of 2,810 psig. Furthermore, bottom-hole pressures achieved while testing fall significantly short of reaching anticipated formation breakdown pressure, as determined through analysis of dipole sonic log data and fracture pressure determination via Eaton's Method.

Step rate injection testing activities were completed utilizing freshwater test fluid, which was injected into the Wildrye SWD well at progressively increasing flow rates, from approximately three (3) barrels per minute (bpm) to 42 barrels per minute. In total, testing activities consisted of 14 injection stages, each of which, increased flow rate by approximately three (3) bpm. The maximum surface injection pressure observed during testing occurred in Stage 14 where testing activities reached a flow rate of approximately 41.8 bpm at an injection pressure of approximately 2,287 psig.

Figures 1 through 3 include relevant SRT data and illustrate the results of testing activities. These include injection flow rate and pressure data trends (Figure 1) and cross plots showing the relationship between injection flow rate and

injection pressure (Figure 2, which illustrates surface pressure and calculated bottom-hole pressure). As demonstrated by these results, there is no indication that the Siluro-Devonian fracture pressure, or formation breakdown pressure, was reached or exceeded under these test conditions, which attained a maximum injection flow rate of approximately 41.8 bpm.

To further confirm the results of well testing, which indicate the formation fracture pressure was not reached, wireline dipole sonic log data from local offsetting wells were utilized to empirically determine fracture pressure of the Siluro-Devonian, via Eaton's method (Figure 3). Based on this method, a minimum pressure gradient of 0.676 psi/ft. would be required to fracture strata within the Siluro-Devonian. In contrast, injection testing for the Wildrye SWD #1 well only reached an estimated maximum down-hole pressure gradient of approximately 0.50 psi/ft., owing to the large 7-inch and 5.5-inch tapered injection string utilized in its construction (see well schematic in Figure 4), which significantly reduces wellbore friction and allows for operation of the well at lower injection pressures than alternative well designs. As shown by this comparison, SRT activities for the Wildrye SWD #1 well achieved only approximately 74% of the down-hole pressure expected to be required to induce formation fracture.

In summary, step-rate injection testing for the Wildrye SWD #1 well included injection at progressively increasing flow rates, from approximately 3 to 42 bpm, with no indication of formation breakdown. Furthermore, complimentary methods for determining fracture pressure via offset well data (i.e., Eaton's Method), confirm the results of Wildrye SWD injection testing, and suggest that testing activities reached only 74% of the down-hole pressure required to induce formation fracture. Lastly, all testing activities were performed within the limits of the currently approved MAOP (i.e., 2,810 psig). As such, the results and analysis of Wildrye SWD #1 injection testing confirm the approved injection volume and operating pressure conditions authorized by NMOCD Order SWD-2369.

Spud Date:	September 4, 2024	Rig Release Date:	November 10, 2	2024
	the information above is true and co	mplete to the best of my knowled	lge and belief.	
SIGNATURE Type or print name_		TLE Consultant to Ranger Water -mail address: <u>dwhite@geolex.co</u>		5/7/2025 _505-842-8000
For State Use Only		_		
APPROVED BY: Conditions of Appro		Ε	DATE	

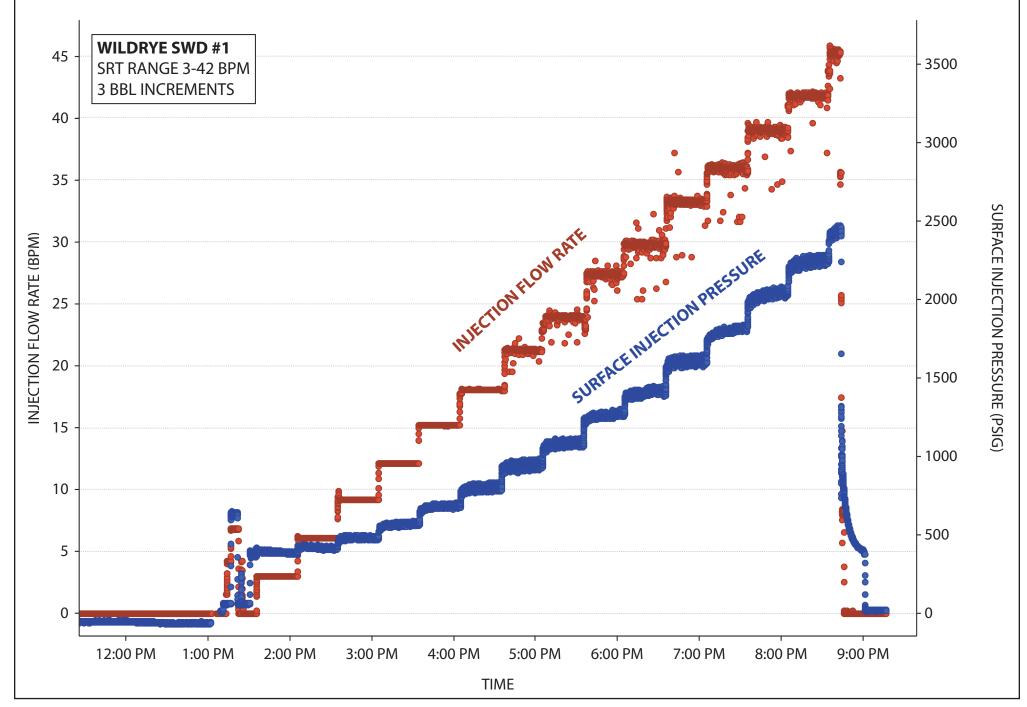
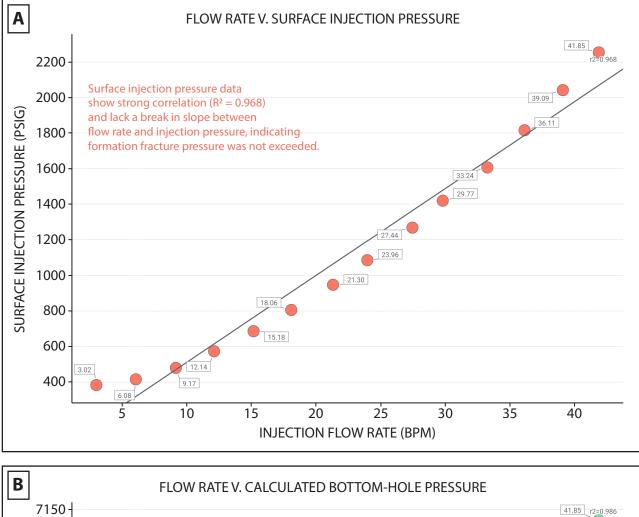


Figure 1. Surface injection pressure (psig) and rate (bbls/min) plotted against time for the step-rate injection test (SRT) of the Wildrye SWD #1 well. The maximum pressure achieved was approximately 2,287 psig at an injection rate of 41.8 bpm. *Released to Imaging: 5/14/2025 12:01:27 PM*



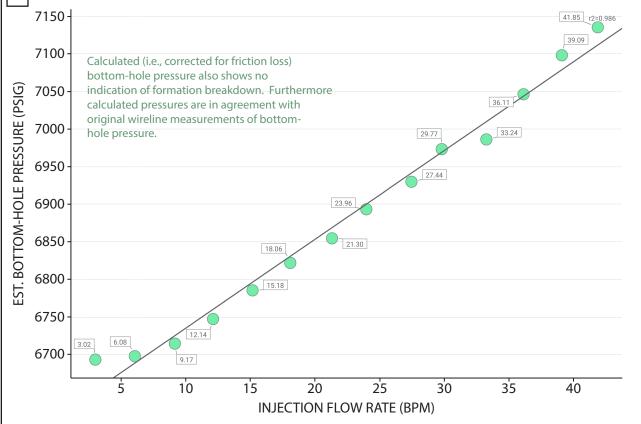


Figure 2. Cross plots of injection flow rate versus surface injection pressure (Panel A) and calculated bottom-hole pressure (Panel B), which demonstrate that Wildrye SWD #1 step-rate injection test activities did not reach formation fracture pressure of the Siluro-Devonian



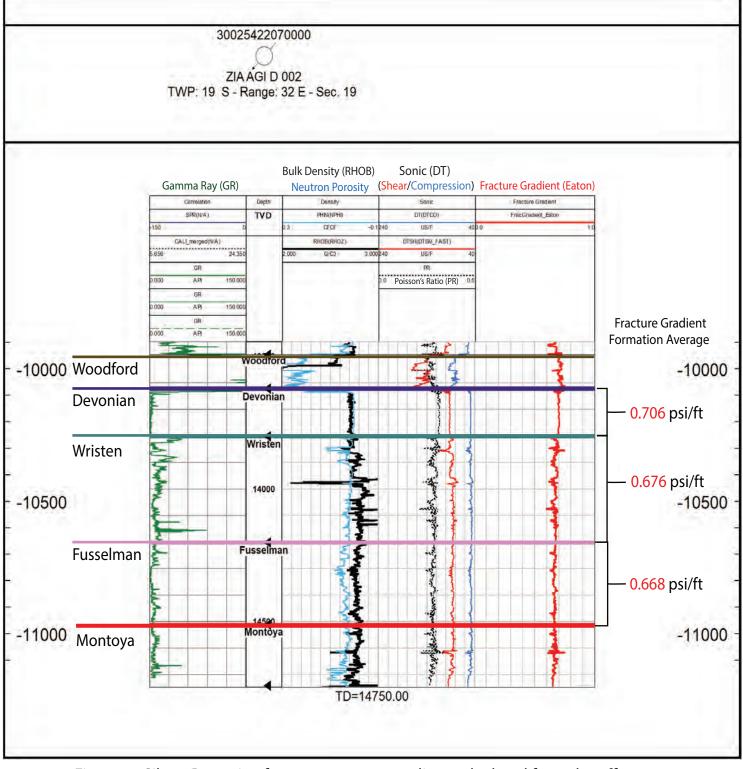


Figure 3. Siluro-Devonian fracture pressure gradient calculated from the offset Zia AGI D#2 well (red trace) utilizing publicly available sonic dipole wireline data. Average fracture gradient estimates range from 0.676 to 0.706 psi/ft., for Devonian through Fusselman strata. During Wildrye SWD injection testing, a maximum bottom-hole pressure gradient of approx. 0.5 psi/ft. was achieved.

WELLBORE SCHEMATIC

Permian Oilfield Partners, LLC. Wildrye Fee SWD #1 410' FNL, 240' FEL Sec. 20, T19S, R35E, Lea Co. NM Lat 32.652154° N, Lon -103.471636° W GL 3797', RKB 3825'

Surface - (Conventional)

26"
20" - 133# X-56 BTC Casing
Surface
1892'
1859 sks - Class C + Additives (100% Excess)
Surface - (Circulated 275 sks)

Intermediate #1 - (Conventional)

Hole Size:	17.5"
Casing:	13.375" - 72# C-110 Hydril 563 Casing
Depth Top:	Surface
Depth Btm:	3610'
Cement:	2530 sks - Class C + Additives
Cement Top:	Surface - (Circulated 656 sks)

Intermediate #2 - (Conventional)

Hole Size:	12.25"
Casing:	9.625" - 40# P-110 BTC Casing
Depth Top:	Surface
Depth Btm:	10694'
Cement:	1475 sks - Halliburton NeoCem + Additives
Cement Top:	Surface - (Circ 597 sks off DV tool, Circ 298 sks on stg 2)
ECP/DV Tool:	5325'

Intermediate #3 - (Liner)

Hole Size:	8.75"
Casing:	7.625" - 39# HP-110 FJM Casing
Depth Top:	10544'
Depth Btm:	14530'
Cement:	375 sks - Class H + Additives
Cement Top:	10544' - (Circulated 106 sks off liner top & Bond Log)

Intermediate #4 - (Open Hole)

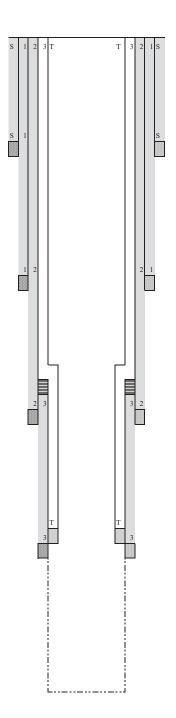
 Hole Size:
 6.5"

 Depth:
 15575'

 Inj. Interval:
 14530' - 15575' (Open-Hole Completion)

Tubing - (Tapered)

Tubing Depth: 14470' Tubing: 7" - 26# HCP-110 HTGT Casing & 5.5" 17# HCL-80 HTGT Casing (IPC) X/O Depth: 10388' X/O: 7" 26# HCP-110 HTGT X - 5.5" 17# HCL-80 HTGT (IPC) Packer Depth: 14470' Packer: 5.5" - Inconel Permanent Packer Packer Fluid: Diesel + Additives



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FIGURE 4. AS-BUILT WILDRYE FEE SWD #1 WELL SCHEMATIC

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

Operator:	OGRID:
Ranger Water Midstream, LLC	333197
1008 Southview Circle	Action Number:
Center, TX 75935	460697
	Action Type:
	[C-103] Sub. General Sundry (C-103Z)
CONDITIONS	

Created By	Condition	Condition Date
mgebremichael	None	5/14/2025

CONDITIONS

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Action 460697