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

APPLICATION OF WATERBRIDGE STATELINE LLC TO APPROVE SALT WATER DISPOSAL WELL IN LEA COUNTY, NEW MEXICO.

CASE NO.	
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APPLICATION

WaterBridge Stateline LLC ("WaterBridge"), OGRID No. 330129, through its undersigned attorneys, hereby submits this application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-12, Rule No. 19.15.26, and Rule 19.15.4.8 for an order approving drilling of a salt water disposal well in Lea County, New Mexico. In support of this application, WaterBridge states as follows:

- (1) WaterBridge proposes to drill the FPNM SWD #6 well at a surface location 1,964' from the North line and 2,170' from the West line, Unit F, Section 17, Township 26 South, Range 38 East, NMPM, Lea County, New Mexico for the purpose of operating a produced water disposal well.
- (2) WaterBridge seeks authority to inject produced water into the Glorieta Sandstone formation at a depth of approximately 5,400 feet to 5,775 feet.
- (3) WaterBridge requests that the Division approve a maximum daily injection rate for the well of 20,000 bbls per day.
- (4) WaterBridge requests approval of a maximum injection pressure of 1,080 psi for the well.
 - (5) A proposed C-108 for the subject well is attached hereto as Attachment A.

(6) The granting of this application will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, WaterBridge requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024; and that after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

Ву:

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Attorneys for Applicant

2

CASE NO. _____: Application of WaterBridge Stateline LLC for approval of a salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving disposal into the Glorieta Sandstone formation through the FPNM SWD #6 well at a surface location 1,964' from the North line and 2,170' from the West line, Unit F, Section 17, Township 26 South, Range 38 East, NMPM, Lea County, New Mexico for the purpose of operating a produced water disposal well. Applicant seeks authority to inject produced water into the Glorieta Sandstone formation at a depth of approximately 5,400 feet to 5,775 feet. Applicant further requests that the Division approve a maximum daily injection rate for the well of 20,000 bbls per day. Said area is located approximately 7.94 miles Southeast of Jal, New Mexico.

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologi	CO OIL CONSERV cal & Engineering ancis Drive, Sant	ATION DIVISION g Bureau –	
		RATIVE APPLICATI		
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH R	LL ADMINISTRATIVE APPLICATIVE PROCESSING AT THE		
Applicant:			OGF	RID Number:
Well Name:			API:	Code:
Pool:			Pool	Code:
1) TYPE OF APPL	ICATION: Check those	INDICATED BELO which apply for [A	OW .]	THE TYPE OF APPLICATION
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administrative understand the	N: I hereby certify that a approval is accurate nat no action will be ta	and complete to t ken on this applica	the best of my kn	nowledge. I also
N	ote: Statement must be comple	eted by an individual with	n managerial and/or su	pervisory capacity.
			Date	_
Print or Type Name				
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Signature	<u>v</u>		e-mail Address	<u> </u>

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

	NUDDOGE D. M. J. D. M. J. C.
I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? Yes No
II.	OPERATOR: WaterBridge Stateline LLC
	ADDRESS: 5555 San Felipe, Ste. 1200 Houston, TX 77056
	CONTACT PARTY: Jessica High - Director, QHSE & Regulatory PHONE: 832-871-4064
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?YesXNo 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: Oliver Seekins TITLE: Project Manager / Regulatory Specialist
	SIGNATURE: DATE: 5/13/2024
*	E-MAIL ADDRESS: oseekins@all-llc.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:

Application for Authorization to Inject

Well Name: FPNM SWD #6

III - Well Data (The wellbore diagram is included as Attachment 1)

A.

(1) General Well Information:

Operator: WaterBridge Stateline LLC (OGRID No. 330129)

Lease Name & Well Number: FPNM SWD #6 Location Footage Calls: 1,964' FNL & 2,170' FWL

Legal Location: UL F, S17 T26S R38E

Ground Elevation: 2,983'

Proposed Injection Interval: 5,400' - 5,775'

County: Lea

(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	1,165'	1,185	Surface	Circulation
Intermediate 1	17-1/2"	13-3/8"	54.5 lb/ft	2,635'	1,940	Surface	Circulation
Production Casing	12-1/4"	9-5/8"	40.0 lb/ft	5,775'	1,915	Surface	CBL
Tubing	N/A	5-1/2"	17.0 lb/ft	5,375'	N/A	N/A	N/A

DV Tool set at: 3,000'

(3) Tubing Information:

5-1/2" (17.0 lb/ft) ceramic-coated tubing with setting depth of 5,375'

(4) Packer Information: ACT AS1-X or equivalent packer set at 5,375'

В.

(1) Injection Formation Name: Glorieta Sandstone

Pool Name: SWD; Glorieta

Pool Code: 96106

- (2) Injection Interval: Perforated injection between 5,400' 5,775'
- (3) Drilling Purpose: New drill for saltwater disposal
- (4) Other Perforated Intervals: No other perforated intervals exist.
- (5) Overlying Oil and Gas Zones: Below are the approximate formation tops for known oil and gas producing zones in the area.
 - Yates (2,815')
 - Seven Rivers (2,889')
 - Queen (3,424')
 - Penrose (3,730')

Underlying Oil and Gas Zones: Below are the approximate formation tops for known oil and gas producing zones in the area.

- Tubb (6,630')
- Devonian (9,098')

V - Well and Lease Details

The following maps and documents are included as **Attachment 2**:

- 2-mile Oil & Gas Well Map
- ½-mile AOR Well Table
- 2-Mile Lease Map
- 2-Mile Mineral Ownership Map
- 2-Mile Surface Ownership Map
- Potash Lease Map

VI – AOR Well List

A list of the well(s) within the 1/2-mile AOR is included in **Attachment 2**.

There are no wells in the ½-mile AOR.

VII – Proposed Operation

- (1) Proposed Maximum Injection Rate: 20,000 bpd Proposed Average Injection Rate: 15,000 bpd
- (2) A closed-loop system will be used.
- (3) Proposed Maximum Injection Pressure: 1,080 psi (surface)
 Proposed Average Injection Pressure: Approximately 810 psi (surface)
- (4) Source Water Analysis: The expected injectate will consist of produced water from production wells completed in the Queen, Wolfcamp, Devonian and Ellenburger formations. Analysis of water from these formations is included as *Attachment 3*.
- (5) Injection Formation Water Analysis: The proposed SWD will be injecting water into the Glorieta Sandstone, which is a non-productive zone known to be compatible with formation water from the Queen, Wolfcamp, Devonian and Ellenburger formations. Water analyses from the Glorieta Sandstone in the area are included as *Attachment 4*.

VIII - Geologic Description

The proposed injection interval includes the Glorieta Sandstone from 5,400' - 5,775'. The Permian-aged Glorieta Sandstone is a fine grained and well-to-moderately sorted quartz arenite sandstone that occurs directly below the San Andres Formation. There are multiple zones of high porosity and low resistivity that makes this sandstone a viable injection zone in this area.

Further discussion of the injection formation, overlying and underlying confinement zones, and historic use of the field are included as **Attachment 5**.

The base of the USDW is the Rustler Formation at a depth of approximately 1,140 feet. Depth of the nearest water well in the area is approximately 185 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, there is one (1) groundwater well located within 1-mile of the proposed SWD location. However, the well is not eligible for sampling because of its location in an area with aquifer production restrictions.

A water well map and details of the water well within 1-mile are included as Attachment 6.

XII – No Hydrologic Connection Statement

No publicly known 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 signed No Hydrologic Connection Statement is included as Attachment 7.

In addition, a *Seismic Potential Letter* detailing the minimal risk of injection-induced seismicity associated with the proposed SWD is included as *Attachment 8*.

XIII – Proof of Notice

A public notice will be filed with the Hobbs News Sun newspaper, and an affidavit will be included as an exhibit at hearing.

A copy of the application will be mailed to the identified affected persons, with delivery confirmation being provided as an exhibit at hearing. A list of the identified affected persons is included as **Attachment 9**.

Attachment 1:

- C-102
- Wellbore Diagram
- Packer Diagram

Attachment 2: Area of Review Information:

- 2-Mile Oil & Gas Well Map
- 1/2-Mile AOR Well Table
- 2-Mile Lease Map
- 2-Mile Mineral Ownership Map
- 2-Mile Surface Ownership Map
- Potash Lease Map

Attachment 3: Source Water Analysis

Attachment 4: Injection Formation Water Analysis

Attachment 5: Confining Zones and Historic Pore Space Use

Attachment 6: Water Well Map and Well Data

Attachment 7: No Hydrologic Connection Statement

Attachment 8: Seismic Potential Letter

Attachment 9: List of Affected Persons

- C-102
- Wellbore Diagram
- Packer Diagram

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 District III

Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (505) 476-3460 Fax: (505) 476-3462

District IV

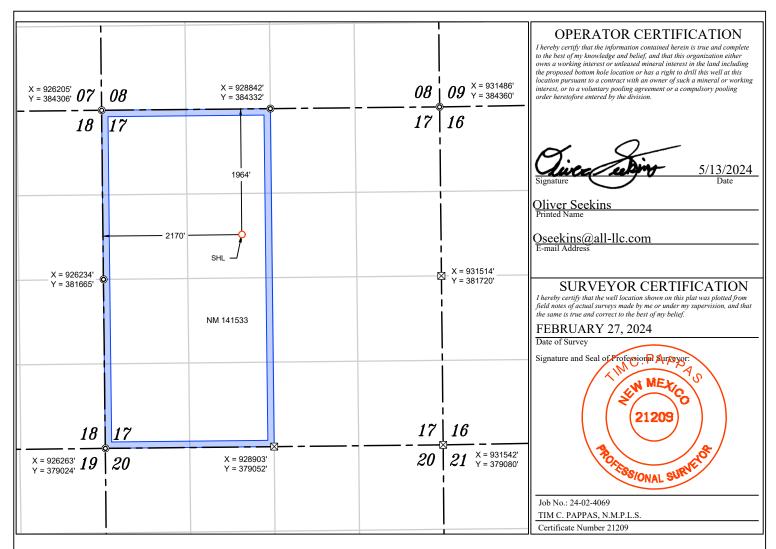
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

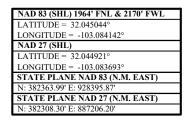
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

		WE	LL LOC	ATION	AND ACRE	AGE DEDICA	ATION PLAT						
Al	PI Number			Pool Code			Pool Name						
				96106		SWD;Glorieta							
Property (Code				Well Nu #6								
OGRID N 330129	No.			WATER	Operator Name RBRIDGE STAT	ELINE LLC		Eleva 298					
					Surface Location	on							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
F	17	26 S	38 E		1964	NORTH	2170	WEST	LEA				
		!	Bot	tom Hole	Location If Dif	ferent From Surfa	ace	1	1				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
Dedicated Acres	Joint or	Infill	Consolidation Co	de Oi	rder No.		•	•	•				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the





 FND. U.S.G.L.O. MON. UNLESS OTHERWISE NOTED
 ☑ CALC. CORNER O SHL/ KOP/ FTP / PPP/ LTP / BHL
STATE OIL & GAS LEASE BLM OIL & GAS LEASE HORIZONTAL SPACING UNIT

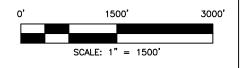
<u>NOTES</u>

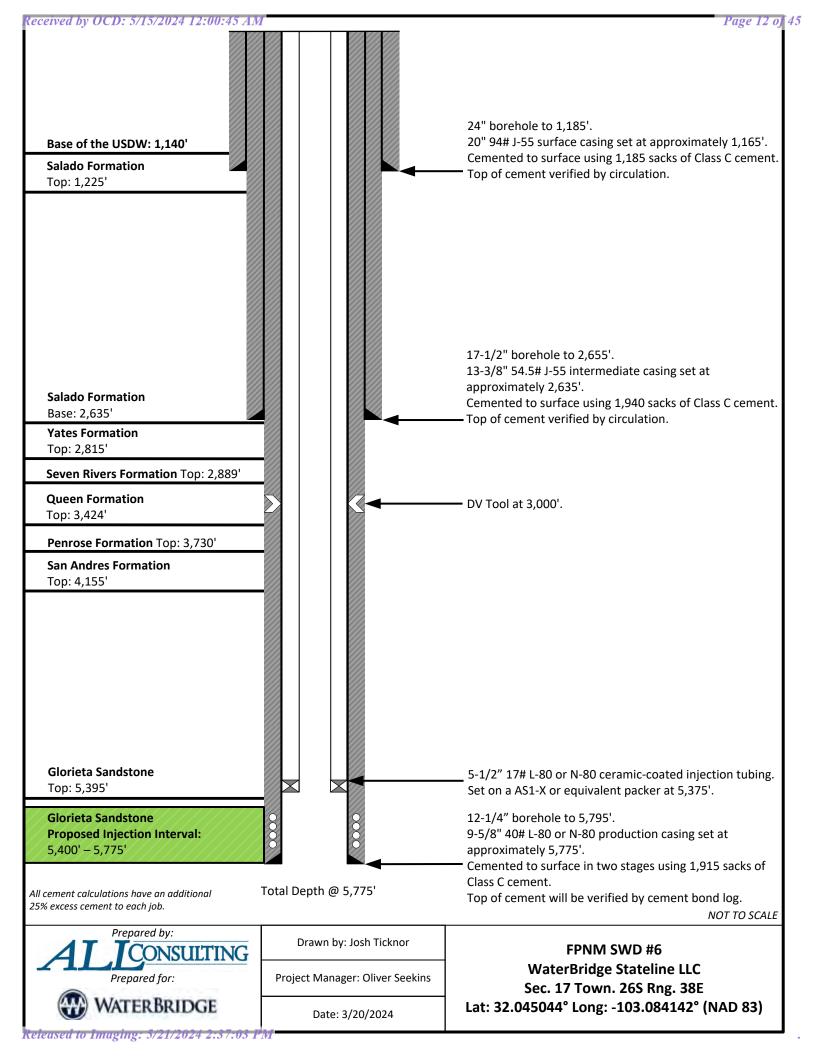
L ALL COORDINATES, BEARINGS, AND DISTANCES
CONTAINED HEREIN ARE GRID, BASED UPON THE NEW
MEXICO STATE PLANE COORDINATES SYSTEM, NORTH
AMERICAN DATUM 83, NEW MEXICO EAST (3001), NAVD 88.

- 2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING FEBRUARY, 2024.
 CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE
- F.

 ELEVATIONS MSL, DERIVEL

 AND DERIVED DERIVED FROM G.N.S.S. DERIVED FROM SAID OBSERVATION AND ON-THE-GROUND SURVEY.





AS1-X MECHANICAL PACKER



The ACT AS1-X Packer is the most versatile of the mechanically set retrievable packers and may be used in any production application. Treating, testing, injecting, pumping wells, flowing wells, deep or shallow, the AS1-X is suited for all. The packer can be left in tension or compression, depending on well conditions and the required application. A large internal by-pass reduces swabbing when running and retrieving. The by-pass closes when the packer is set and opens prior to releasing the upper slips when retrieving to allow pressure equalization.

The J-slot design allows easy setting and releasing; 1/4 turn right-hand set, right-hand release. A patented upper-slip releasing system reduces the force required to release the packer. A non directional slip is released first, making it easier to release the other slips. The AS1-X packer can withstand 7,000 psi (48 MPa) of differential pressure above or below.

FEATURES, ADVANTAGES AND BENEFITS:

- The design holds high differential pressure from above or below, enabling the packer to meet most production, stimulation, and injection needs
- The packer can be set with compression, tension, or wire line, enabling deployment in shallow and deep applications
- . The packer can be set and released with only a one-quarter turn of the tubing
- The bypass valve is below the upper slips so that debris are washed from the slips when the valve is opened, reducing the times for circulation and total retrieval
- . The full opening enables unrestricted flow and the passage of wire line tools and other packer systems
- The packer can be run with the T-2 on-off tool, which enables the tubing to be disconnected and retrieved without retrieving the packer

OPTIONS:

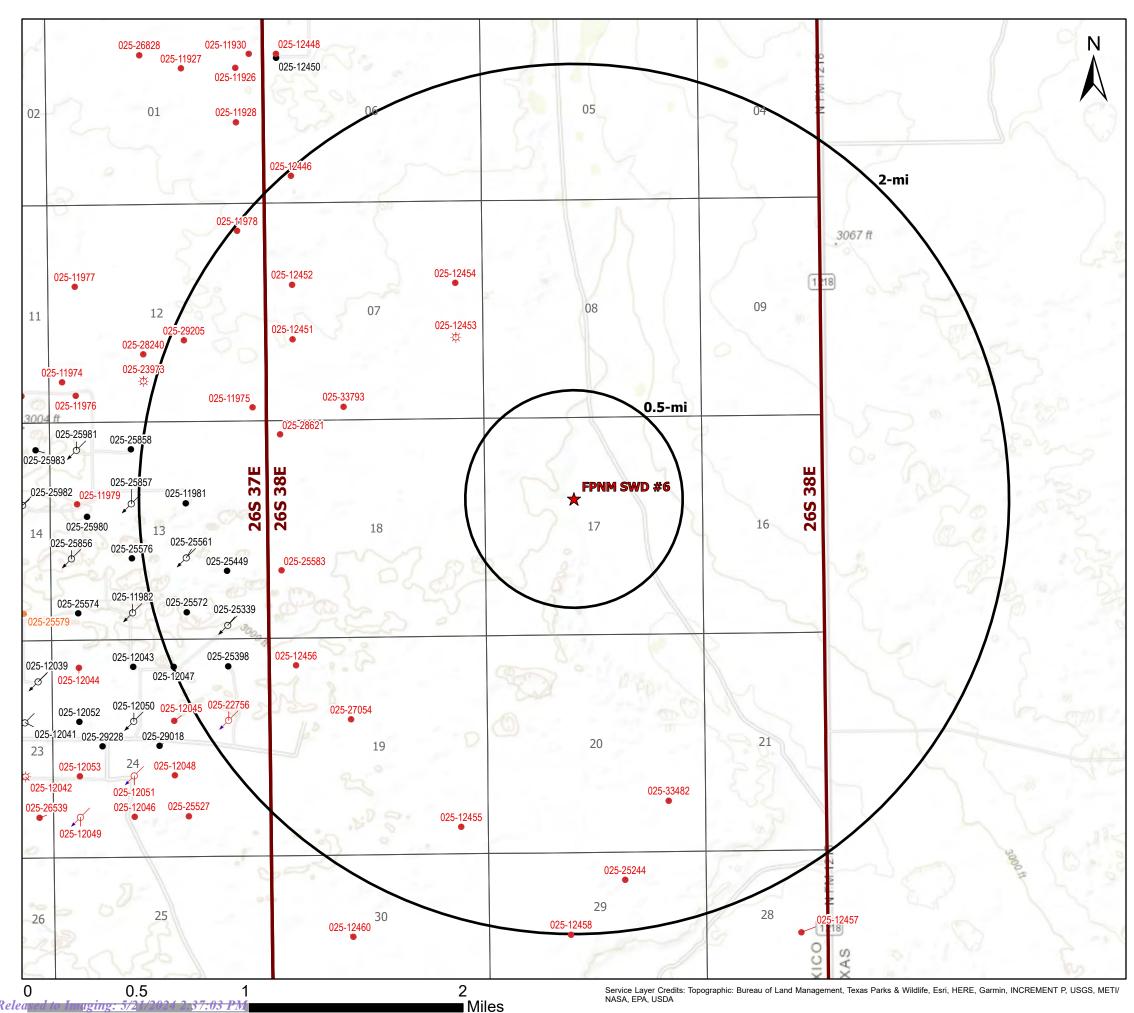
- Elastomer options are available for hostile environments
- · Optional safety releases are available

		ASI	-X MECHANICAL PACK	ER .		
SZZE (inches)	WEIGHT (lbs ft)	FECONIMENDED HOLE SIZE (inches)	TOOLODMAX (nebes)	TOOLID MIN (suches)	THREAD CONNECTION BOX UP / PIN DOWN	PART NO.
4.1/2	13.5-15.1	3.826-3.920	3.650	1.938	2.3/8" EUE	261-3650-XXXX
5	11.5-15	4.408-4.560	4.125	1.938	2.3/8" EUE	261-4125-XXXX
5	18-20.8	4.154-4.276	4.000	1.938	2.3/8" EUE	261-4000-XXXX
5.1/2	14-20	4.778-5.012	4.625	2.00	2.3/8" EUE	261-4625-XXX
5.1/2	14-20	4.778-5.012	4.625	2.38	2.7/8" EUE	261-4625-XXX
5.1/2	20-23	4.670-4.778	4.500	2.00	2.3/8" EUE	261-4500-XXX
5.1/2	20-23	4.670-4.778	4.500	2.38	2.7/8" EUE	261-4500-XXXX
6.5/8	20-24	5.921-6.094	5.750	3.00	3.1/2"EUE	261-5750-XXX
7	17-26	6.276-6.538	6.000	2.50	2.7/8" EUE	261-6000-XXXX
7	17-26	6.276-6.538	6.000	3.00	3.1/2" EUE	261-6000-XXXX
7	26-32	6.094-6.276	5.875	2.50	2.7/8" EUE	261-5875-XXX
7	26-32	6.094-6.276	5.875	3.00	3.1/2" EUE	261-5875-XXXX
7	29-35	6.004-6.184	5.812	3.00	3.1/2" EUE	261-5812-XXXX
7.5/8	24-29.7	6.875-7.025	6.672	2.50	2.7/8″EUE	261-6672-XXXX
7.5/8	24-29.7	6.875-7.025	6.672	3.00	3.1/2" EUE	261-6672-XXXX
7.5/8	33.7-39	6.625-6.765	6.453	2.50	2.7/8″EUE	261-6453-XXXX
7.5/8	33.7-39	6.625-6.765	6.453	3.00	3.1/2" EUE	261-6453-XXX
9.5/8	32.3-43.5	8.755-9.001	8.500	3.00	3.1/2" EUE	261-8500-XXX
9.5/8	32.3-43.5	8.755-9.001	8.500	4.00	4.1/2" EUE	261-8500-XXXX
9.5/8	43.5-53.5	8.535-8.755	8.250	3.00	3.1/2" EUE	261-8250-XXX
9.5/8	43.5-53.5	8.535-8.755	8.250	4.00	4.1/2" EUE	261-8250-XXXX

'XXXX' is changed as per material / elastomer / end connection

Area of Review Information:

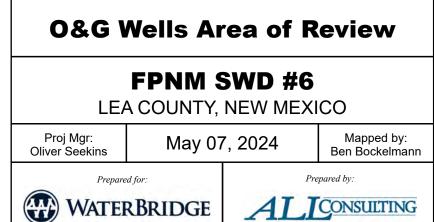
- 2-mile Oil & Gas Well Map
- 1/2-Mile AOR Well Table
- 2-mile Lease Map
- 2-mile Mineral Ownership Map
- 2-mile Surface Ownership Map
- Potash Lease Map



Legend

- roposed SWD (1)
- Gas, Plugged (3)
- ✓ Injection, Active (10)
- Injection, Plugged (3)
- Oil, Active (15)
- Oil, Plugged (37)
- Oil, Temporarily Abandoned (1)
- △ Salt Water Disposal, Active (1)

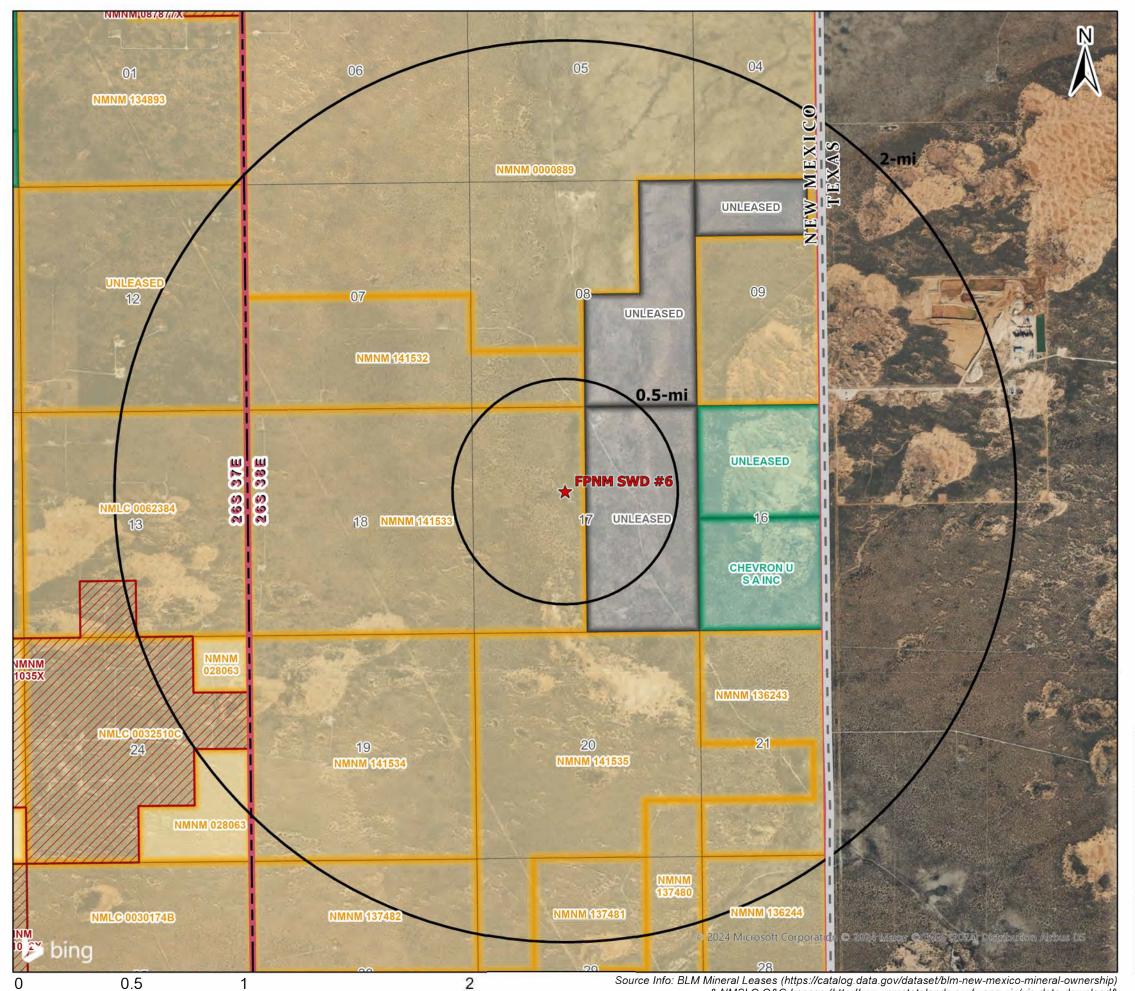
Source Info: NMOCD O&G Wells updated 2/16/2024 (https://www.emnrd.nm.gov/ocd/ocd-data/ftp-server/l)



	1/2-Mile AOR Well Table for FPNM SWD #6 (Top of Injection Interval: 5,400')												
Well Name API# Well Type Operator Spud Date Location (Sec., Tn., Rng.) Total Vertical Depth (feet) Penetrate Inj. Zone													
Note: There are no wells located within the 3	½-mile AOR.												

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Received by OCD: 5/15/2024 12:00:45 AM Page 17 of 45



■ Miles

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- 1/2-mile AOR Lessees/Unit Operators:
 ARMSTRONG ENERGY CORPORATION (BLM LESSEE)
- R&R ROYALTY LTD (BLM LESSEE)

Mineral Lease Area of Review

FPNM SWD #6

LEA COUNTY, NEW MEXICO

Proj Mgr: Oliver Seekins

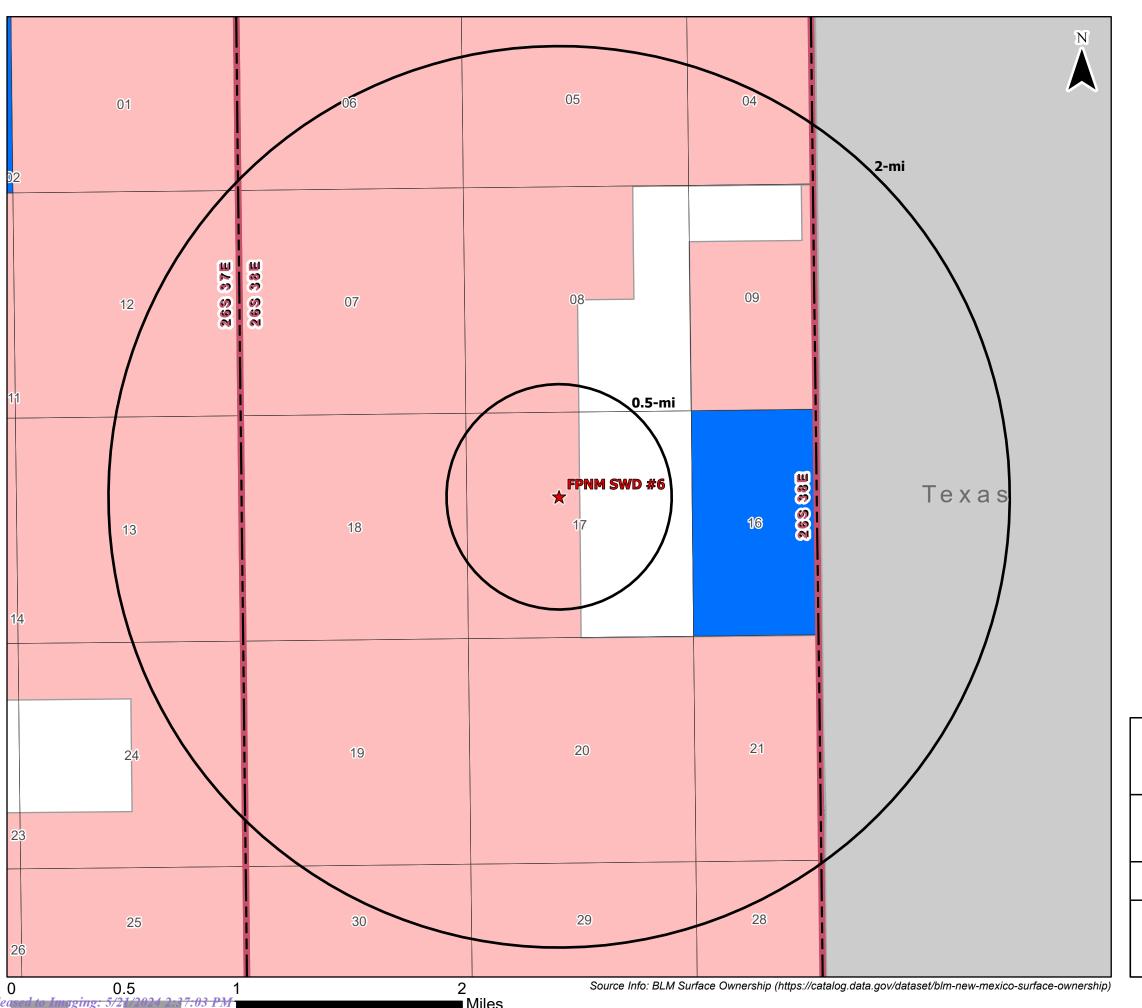
May 07, 2024

Mapped by: Ben Bockelmann

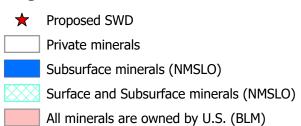




Source Info: BLM Mineral Leases (https://catalog.data.gov/dataset/blm-new-mexico-mineral-ownership) & NMSLO O&G Leases (http://www.nmstatelands.org/maps-gis/gis-data-download/)



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Mineral Ownership Area of Review

FPNM SWD #6

LEA COUNTY, NEW MEXICO

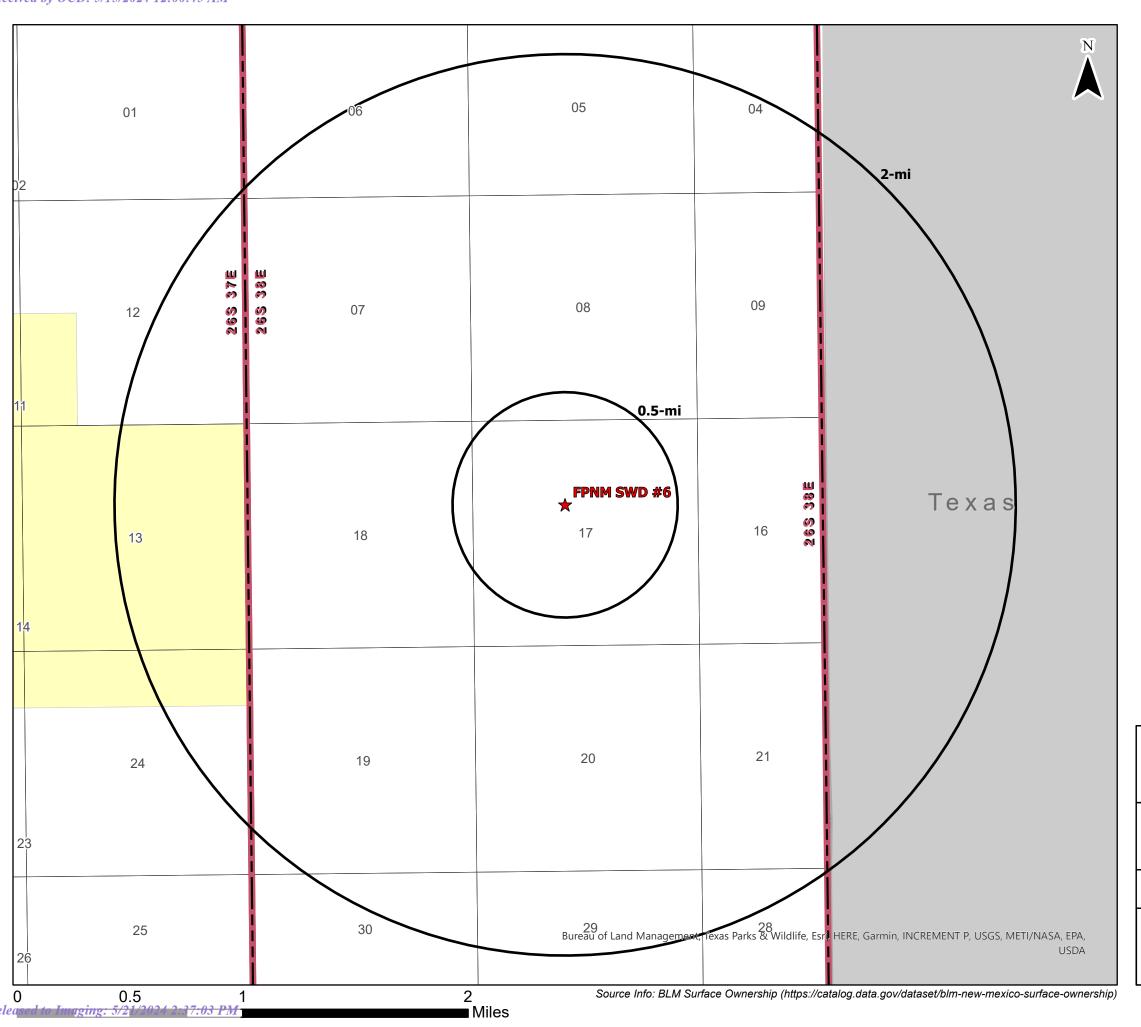
Proj Mgr: Oliver Seekins

May 07, 2024

Mapped by: Ben Bockelmann







Legend

★ Proposed SWD

Surface Ownership

BLM (1)

Private (1)

Surface Ownership Area of Review

FPNM SWD #6

LEA COUNTY, NEW MEXICO

Proj Mgr: Oliver Seekins

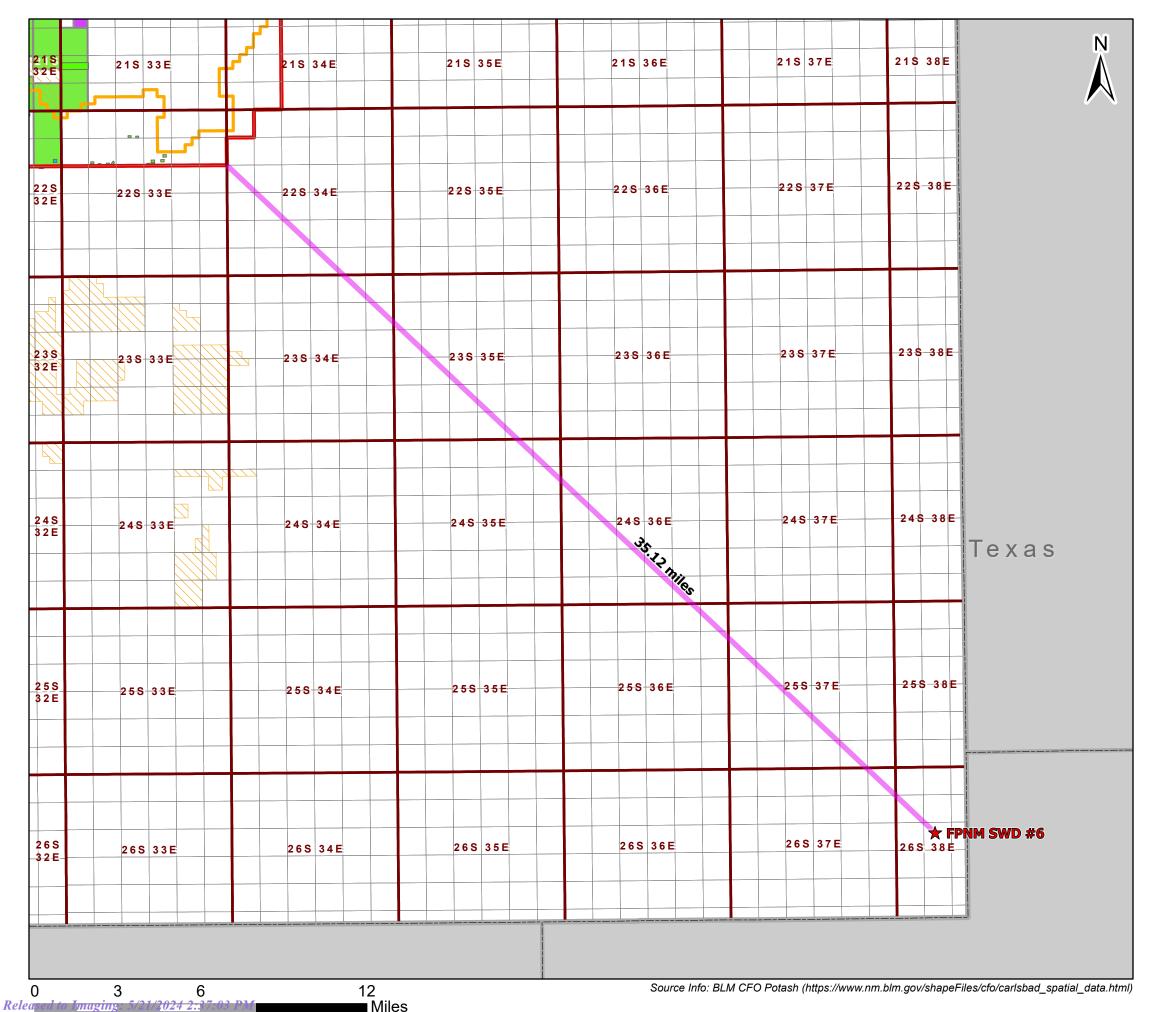
May 07, 2024

Mapped by: Ben Bockelmann





Prepared by:



Legend

★ Proposed SWD
Potash Leases

Known Potash Leasing Area

SOPA 1986

Drill Islands (12/11/2023)

Status, Depth Buffer

Approved, Half Mile

Nominated,Half Mile

Development Areas (12/11/2023)

Status

Approved

Pending

Potash Leases Area of Review

FPNM SWD #6

LEA COUNTY, NEW MEXICO

Proj Mgr: Oliver Seekins

May 07, 2024

Mapped by: Ben Bockelmann





Source Water Analysis

Page 22 of 45

						Source '	Water Ar	nalysis								
			WaterB	ridge Statelir	ne LLC - FPNM				onian and El	lenburger Fo	rmations					
Well Name	API	Latitude	Longitude	Section	Township	Range	Unit	Ftgns	Ftgew	County	State	Formation	Tds (mg/L)	Chloride (mg/L)	Bicarbonate (mg/L)	Sulfate (mg/L)
GULF STATE #001	3002508458	32.7242317	-103.5246506	26	18S	34E	A	660N	660E	LEA	NM	QUEEN	267,000	165,000	216	881
WEST PEARL QUEEN UNIT #103	3002503247	32.6359787	-103.4816437	29	19S	35E	С	990N	1980W	Lea	NM	QUEEN		151,575	141	940
WEST PEARL QUEEN UNIT #118	3002503248	32.629612	-103.4773712	29	19S	35E	J	1980S	1980E	Lea	NM	QUEEN		149,504	35	257
WEST PEARL QUEEN UNI #141	3002503284	32.6223412	-103.4645233	33	19S	35E	C	660N	1980W	Lea	NM	QUEEN		138,040	38	418
WHITE CITY PENN GAS COM UNIT 1 #001	3001500408	32.1937523	-104.3088455	29	24S	26E	A	660N	660E	EDDY	NM	WOLFCAMP		10,000	645	1,320
HABANERO 17 FEDERAL COM #001H	3001536108	32.2218475	-104.2062683	17	24S	27E	A	990N	660E	EDDY	NM	WOLFCAMP	108,205	65,927	146	, 0
SERRANO 29 FEDERAL #001H	3001537763	32.1898842	-104.2062149	29	24S	27E	Н	1980N	660E	EDDY	NM	WOLFCAMP	102,136	62,813	183	0
SERRANO 29 FEDERAL #001H	3001537763	32.1898842	-104.2062149	29	24S	27E	Н	1980N	660E	EDDY	NM	WOLFCAMP	100,995	63,450	268	0
CLARA M ROBERTS ETAL #001	3002507265	32.9945259	-103.0748596	26	15S	38E	D	330N	330W	LEA	NM	DEVONIAN	50,630	29,593	823	1,073
OBERHOLTZER #001	3002507164	33.2986488	-103.1388397	7	12S	38E	C	660N	1980W	LEA	NM	DEVONIAN	58,738	33,600	655	1,920
LEA AV STATE #005	3002507201	33.268692	-103.1398849	19	12S	38E	C	990N	1650W	LEA	NM	DEVONIAN	57,890	33,208	458	2,082
C S STONE #001	3002507260	33.0045204	-103.0823975	22	15S	38E	G	1980N	1980E	LEA	NM	DEVONIAN	78,690	46,060	354	2,038
CLARA M ROBERTS #001	3002507264	33.0045013	-103.0748672	23	15S	38E	Е	1980N	330W	LEA	NM	DEVONIAN	91,505	54,638	894	1,887
ROSA SHULTS #001	3002507191	33.272316	-103.1442108	18	12S	38E	M	330S	330W	LEA	NM	DEVONIAN	39,824	21,933	647	1,896
HOUSTON A #001	3002507202	33.2632332	-103.1442032	19	12S	38E	L	2310S	330W	LEA	NM	DEVONIAN	76,102	44,700	483	1,700
SHELL BROWNING #001	3002507113	33.3240585	-103.1301956	31	11S	38E	Н	1980N	660E	LEA	NM	DEVONIAN	79,057	46,200	727	
STATE A #002	3002507126	33.32407	-103.1215515	32	11S	38E	F	1980N	1980W	LEA	NM	DEVONIAN	85,233	53,250	607	2,812
NEW MEXICO A FEDERAL #001	3002507150	33.3022766	-103.1344833	6	12S	38E	О	660S	1980E	LEA	NM	DEVONIAN	61,815	35,600	580	1,750
NEW MEXICO A FEDERAL #002	3002507151	33.3059044	-103.134491	6	12S	38E	J	1980S	1980E	LEA	NM	DEVONIAN	61,795	35,600	535	2,000
TAYLOR B #001	3002507155	33.2877579	-103.1344681	7	12S	38E	О	660S	1980E	LEA	NM	DEVONIAN	54,397	30,880	572	2,288
CLARA M ROBERTS #001	3002507264	33.0045013	-103.0748672	23	15S	38E	Е	1980N	330W	LEA	NM	DEVONIAN	80,811	48,610	883	1,663
ROSE EAVES #001	3002507290	32.8726234	-103.1200638	35	16S	38E	N	660S	1980W	LEA	NM	DEVONIAN	48,373	27,670	696	1,845
W W HAMILTON #001	3002507293	32.8762512	-103.1200485	35	16S	38E	K	1980S	1980W	LEA	NM	DEVONIAN	41,751	23,780	291	1,753
L COOPER #002	3002507295	32.8689995	-103.1212997	2	17S	38E	С	660N	3300E	LEA	NM	DEVONIAN	38,520	21,600	600	1,700
L COOPER A #001	3002507301	32.8438873	-103.1040649	12	17S	38E	N	660S	1980W	LEA	NM	DEVONIAN	29,115	15,640	999	2,337
FEDERAL DAVIS #002	3002507305	32.8293381	-103.0954208	13	17S	38E	P	660S	660E	LEA	NM	DEVONIAN	35,212	18,540	865	3,080
F M HOLLOWAY #001	3002507306	32.8402596	-103.0997314	13	17S	38E	В	660N	1980E	LEA	NM	DEVONIAN	49,286	28,700	645	1,558
WEST DOLLARHIDE DEVONIAN UNIT #104	3002512297	32.1720123	-103.0761032	32	24S	38E	I	1980S	660E	LEA	NM	DEVONIAN	50,858	30,200	183	980
F M HOLLOWAY #001	3002507306	32.8402596	-103.0997314	13	17S	38E	В	660N	1980E	LEA	NM	DEVONIAN	49,290	28,700	645	1,558
WEST DOLLARHIDE DEVONIAN UNIT #104	3002512297	32.1720123	-103.0761032	32	24S	38E	I	1980S	660E	Lea	NM	ELLENBURGER		30,200	183	980
A B COATES D #003	3002511748	32.1112633	-103.1177216	24	25S	37E	N	990S	2310W	LEA	NM	ELLENBURGER	91,617	57,190	832	1,387
SOUTH JUSTIS UNIT #024	3002511774	32.1040077	-103.1102829	25	25S	37E	Н	1650N	660E	LEA	NM	ELLENBURGER	99,800	60,300	195	1,650
SOUTH JUSTIS UNIT #024	3002511774	32.1040077	-103.1102829	25	25S	37E	Н	1650N	660E	LEA	NM	ELLENBURGER	98,300	59,400	189	1,650

Injection Formation Water Analysis

Release																	
							Ir	njectio	n Fori	mation	Wat	er Analysis					
					V	VaterB	ridge	Statel	ine LLC	- FPNN	1 SWE	#6 - Glorieta Sand	stone				
Well Name	АРІ	Latitude	Longitude	Section	Township	Range	Unit	Ftgns	Ftgew	County	State	Field	Formation	Tds (mg/L)	Chloride (mg/L)	Bicarbonate (mg/L)	Sulfate (mg/L)
LEARCY MCBUFFINGTON #007	3002511568	32.1248627	-103.1219788	13	25S	37E	М	660S	990W	LEA	NM	JUSTIS	GLORIETA	55,190	31,603	1,158	1,804
LEARCY MCBUFFINGTON #007	3002511568	32.1248627	-103.1219788	13	25S	37E	М	660S	990W	LEA	NM	JUSTIS	GLORIETA	55,183	31,600	1,158	1,804
CARLSON FEDERAL #001	3002511574	32.1330185	-103.1198425	13	25S	37E	F	1650N	1650W	LEA	NM	JUSTIS	GLORIETA	113,731	67,250	280	3,013
CARLSON FEDERAL #001	3002511574	32.1330185	-103.1198425	13	25S	37E	F	1650N	1650W	LEA	NM	JUSTIS	GLORIETA	101,412	60,660	963	2,996
LANGLIE FEDERAL #001	3002511592	32.1293945	-103.1273041	14	25S	37E	I	2310S	660E	LEA	NM	JUSTIS	GLORIETA	113,937	67,370	280	3,018
LANGLIE FEDERAL #001	3002511592	32.1293945	-103.1273041	14	25S	37E	ı	2310S	660E	LEA	NM	JUSTIS	GLORIETA	113,817	67,250	274	3,067

Confining Zones and Historic Pore Space Use



CONFINING ZONES AND HISTORIC PORE SPACE USAGE

For WaterBridge Stateline LLC's proposed FPNM SWD #6 application in the Lower Permian Glorieta Sandstone in the Central Basin Platform area, the lower San Andres Formation will act as the upper confinement zone, and the lower Glorieta Sandstone as the lower confinement zone, given its low porosity and high resistivity. The proposed location is in T26S., R38E, an area with very limited oil and gas production. Most area wells have been plugged and abandoned, and none penetrate the proposed injection intervals in the Glorieta Sandstone.

The San Andres Formation is a shelf carbonate deposit composed predominantly of dolomite, and in the proposed development area, the lower San Andres Formation is a tight rock with low porosity and high resistivity values. **Figure 1** is a log snip of this upper confining zone of approximately 60 feet in the lower San Andres Formation. The lower confining zone is a tight sandstone unit within the Glorieta Sandstone, which also has low porosity development and high resistivity readings. The Glorieta Sandstone is a fine-grained, well-to-moderately sorted quartz arenite sandstone. **Figure 2** is a log snip of this approximately 30 feet of lower Glorieta Sandstone.

The closest oil and gas production to the FPNM SWD #6 is the active waterflood operation directly to the west. This waterflood operation is the W.H. Rhodes B Federal NCT-1 unit project and was originally operated by Texaco, Inc., with the first waterflood injection commencing in 1964 and continued expansion occurring in 1969, 1973, and 1993 by Texaco Exploration and Production, Inc. Oil production and enhanced oil recovery water injection is into the Yates and Seven Rivers formations at depths ranging from approximately 3,000 to 3,400 feet and primarily located in T26S, R37E. There is no oil or gas production from the Glorieta Sandstone within the two-mile radius of the proposed FPNM SWD #6.

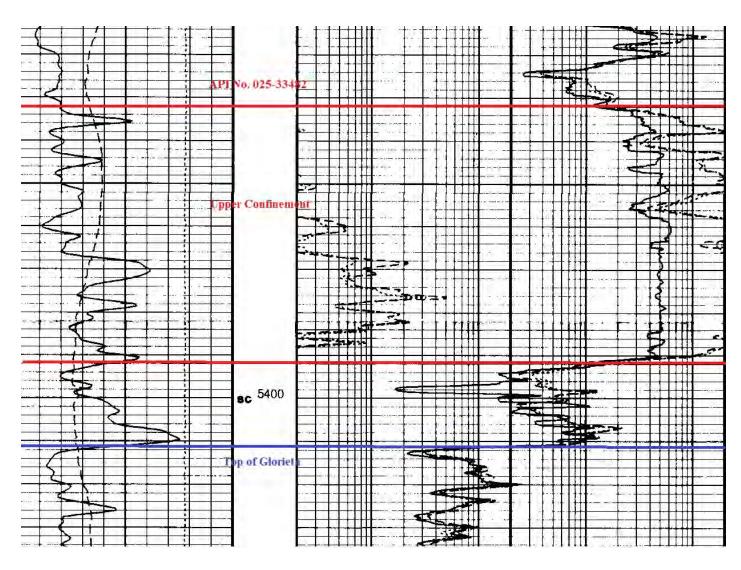


Figure 1. Open Hole Log Snip of the Upper Confining Zone in the Lower San Andres Formation

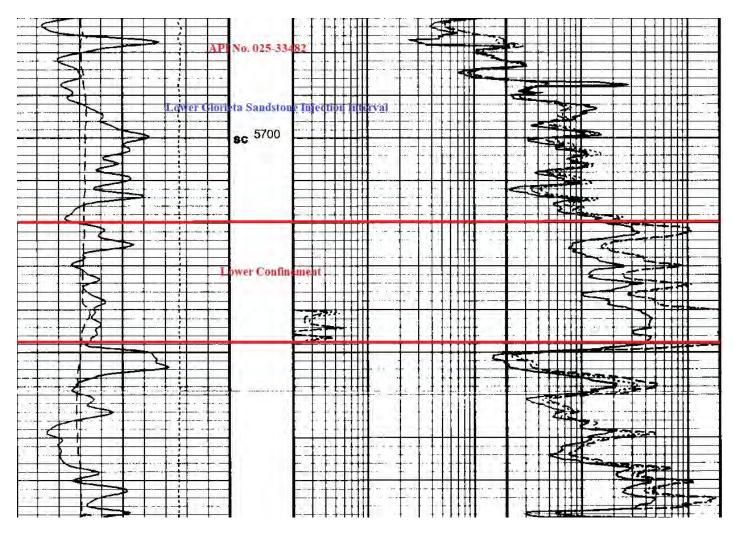
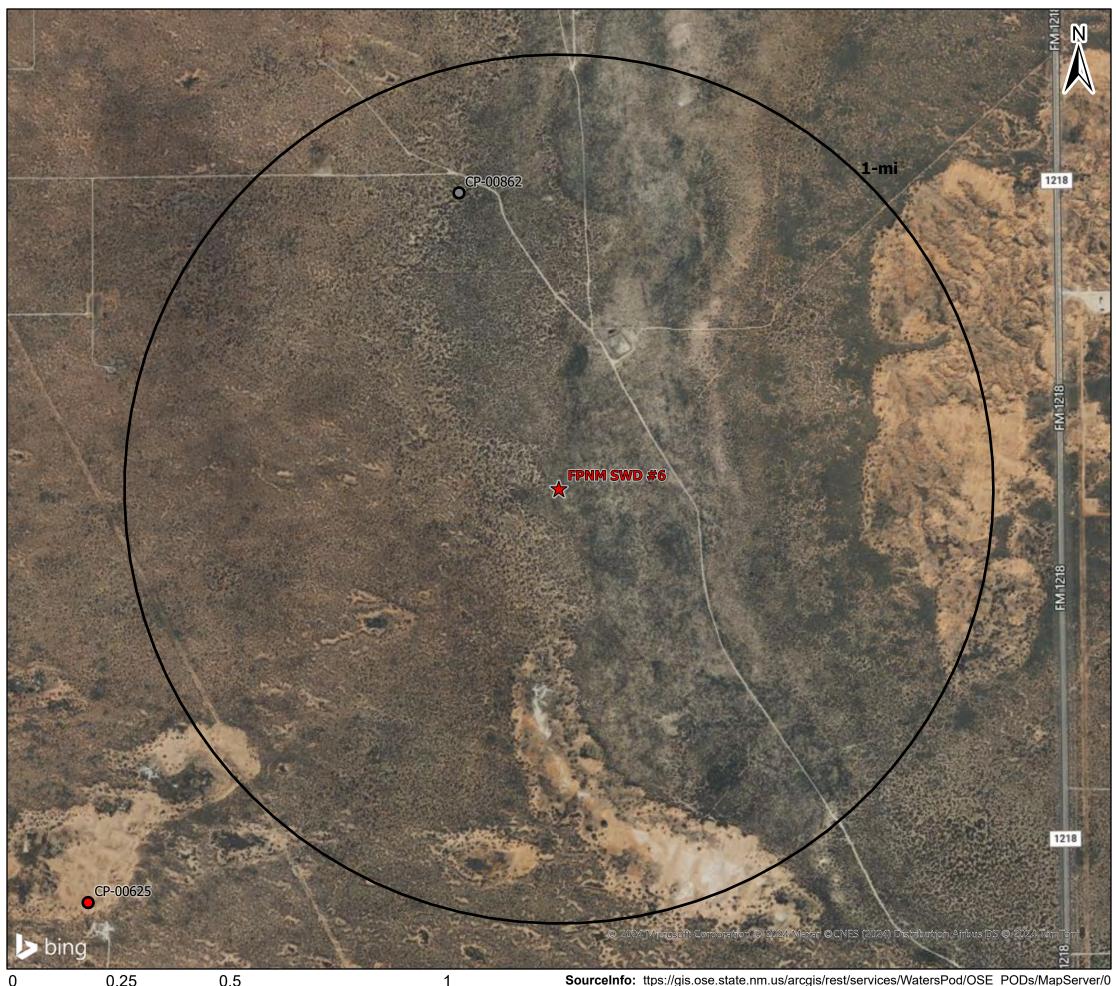


Figure 2. Open Hole Logging Snip of the Lower Confining Zone Within the Glorieta Sandstone

Water Well Map and Well Data

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Legend

★ Proposed SWD (1)

OSE PODs

- Active (0)
- Inactive (0)
- Pending (0)
- Changed Location of Well (0)
- Capped (0)
- Plugged (1)
- Unknown (1)

Water Wells Area of Review

FPNM SWD #6

LEA COUNTY, NEW MEXICO

Proj Mgr: Oliver Seekins

May 07, 2024

Mapped by: Ben Bockelmann

Prepared for: WATERBRIDGE WATERBRIDGE



0.25 0.5 . ■ Miles

SourceInfo: ttps://gis.ose.state.nm.us/arcgis/rest/services/WatersPod/OSE_PODs/MapServer/0

		Water Well Sar	npling Rationale		
		WaterBridge Statelir	ne LLC - FPNM SWD #6		
Water Wells	Owner	Available Contact Information	Use	Sampling Required	Notes
CP-00862	Yates Petroleum	P.O. Box 692 Tatum, NM 88267	Prospecting and development of natural resources.	No	This well is located in an area where the aquifer has been temporarily closed.

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No Hydrologic Connection Statement



RE: Waterbridge Stateline LLC - FPNM SWD #6 application, Lea County, New Mexico

ALL Consulting LLC (ALL) has performed a thorough hydrologic investigation related to the one saltwater disposal well (SWD) listed above. The investigation was conducted to determine if there were any existing or potential connections between the proposed injection intervals in the Glorieta Sandstone and the deepest underground source of drinking water (USDW).

ALL performed an assessment and analysis of the subsurface geophysical log data along with published documents on the groundwater in this vicinity of Lea County, New Mexico. The surficial geology is Quaternary alluvial deposits consisting predominantly of sand and caliche. This area is south of the High Plains Aquifer and depths to potable water ranges from 30 to 142 feet below the surface. The USDW is the Rustler Formation and the base of the USDW ranges from 875 to 1,130 feet below the surface.

Based on ALL's assessment and analysis there is containment through multiple confining zones in the San Andres Formation and the Salado evaporite deposits above the Glorieta Sandstone and the USDW and over 4,260 feet of vertical separation between the base of the USDW and the top of the injection interval. Additionally, there is no evidence of faults that would allow for communication between the USDW and Glorieta Sandstone.

Tom Tomastik

Chief Geologist and Regulatory Specialist

Jan Longottl

ALL Consulting LLC

Date



Seismic Potential Letter



March 18, 2024

PN 1703.SWD.13

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

Subject: WaterBridge Stateline LLC

FPNM SWD #6 - Seismic Potential Letter

Dear Mr. Goetze,

At the request of WaterBridge Stateline LLC (WaterBridge), ALL Consulting, LLC (ALL) has assessed the potential injection-induced seismicity risks in the vicinity of WaterBridge's FPNM SWD #6, a proposed saltwater disposal (SWD) facility in Lea County, New Mexico, and summarized the findings in this letter. This assessment used publicly available data to identify the proximity and characteristics of seismic events and known faults to evaluate the potential for the operation of the FPNM SWD #6 to contribute to seismic activity in the area.

Geologic Evaluation

The FPNM SWD #6 is requesting a permit to inject into the Permian Glorieta Sandstone (Glorieta) at a depth of 5,400-5,775 feet below ground surface (bgs). The Glorieta primarily consists of Permian-age sandstone and is overlain by approximately 60 feet of low porosity carbonate rocks within the lower San Andres Formation, which would prevent the upward migration of injection fluid and serve as the upper confining layer (see **Attachment 1**). Additionally, approximately 28 feet of low porosity and low permeability other carbonate rocks lie beneath the proposed injection interval and act as a lower confining zone by preventing downward migration of injected fluids into the underlying Tubb Formation (see **Attachment 1**). A stratigraphic chart depicting the geologic setting is included as **Figure 1**.

Seismic Events and Fault Data

A review of United States Geological Survey (USGS) and New Mexico Tech Seismological Observatory (NMTSO) earthquake catalogs determined that four (4) seismic events have been recorded within a 100 square mile area [9.08-kilometer (km) radius] around the subject SWD.

¹ Yang, K.-M., & Dorobek, S. L. (1995). The Permian Basin of west Texas and New Mexico: Tectonic history of a "composite" Foreland Basin and its effects on stratigraphic development. *Stratigraphic Evolution of Foreland Basins*, 149–174. https://doi.org/10.2110/pec.95.52.0149

The closest recorded seismic event was a M1.68 that occurred on July 22, 2017, and was located approximately 0.62 miles southwest of the FPNM SWD #6 (see **Attachment 2**).

Fault data from United States Geological Survey (USGS) and the Texas Bureau of Economic Geology (BEG)² indicates that the closest known fault is located approximately 0.29 miles west of the FPNM SWD #6 (see Attachment 2). This identified fault is within the Precambrian basement, which is approximately 8,225 feet below the proposed injection interval.³ Fault data from Sourcewater also indicates the presence of four faults in the sedimentary column, above the Precambrian basement, within the area of review.⁴ These shallow faults penetrate the Canyon, Cisco, and Wolfcamp formations which begin approximately 2,940 feet below the proposed injection interval. As previously discussed, there are confining barriers beneath the proposed injection interval which will prevent the downward migration of fluids into such faults. A map of the seismic events and faults within 9.08 km of the FPNM SWD #6 is included as Attachment 2.

Figure 1 – Delaware Basin Stratigraphic Chart (Adapted from Yang and Dorobek 1995)

_					
SYSTEM	SERIES/ STAGE	CENTRAI PLATE		DELAW BAS	
	OCHOAN	DEWEY RUST SALA	LER	RUS	Y LAKE TLER .ADO STILE
PERMIAN	GUADALUPIAN	TANS YAT SEVEN I QUE GRAYI SAN AN	ES RIVERS EN BURG IDRES	BELL C CHEAR	E MT GROUP ANYON Y CANYON Y CANYON
	LEONARDIAN	CLEAR	FORK	BONE	SPRING
	WOLFCAMPIAN	WOLF	CAMP	WOL	FCAMP
	VIRGILIAN	CIS	co	CI	SCO
	MISSOURIAN	CAN	/ON	CA	NON
PENNSYLVANIAN	DESMOINESIAN	STRA	WN	STR	AWN
	ATOKAN	ATOKA	—BEND —	ATOKA	—BEND——
	MORROWAN	(ABSENT)		MORROW	
MISSISSIPPIAN	CHESTERIAN MERAMECIAN OSAGEAN	CHESTER MERAMEC OSAGE	BARNETT	CHESTER MERAMEC OSAGE	BARNETT.
	KINDERHOOKIAN	KINDER			RHOOK
DEVONIAN		———WOOD DEVO			DFORD DNIAN
SILURIAN		SILURIAI			SILURIAN ELMAN
	UPPER	MONT	OYA		TOYA
ORDOVICIAN	MIDDLE	SIMP	SON	SIM	PSON
	LOWER	ELLENB	URGER	ELLEN	BURGER
CAMBRIAN	UPPER	CAMB	RIAN	CAM	BRIAN
PRECAMBRIAN					

Seismic Potential Evaluation

Experience in evaluating induced seismic events indicates that most injection-induced seismicity throughout the U.S. (e.g., Oklahoma, Ohio, Texas, New Mexico, and Colorado) occurs as a result of injection into Precambrian basement rock, into overlying formations that are in hydraulic communication with the Precambrian basement rock, or as a result of injection near critically stressed and optimally oriented faults. Seismicity at basement depths occurs because critically stressed faults generally originate in crystalline basement rock and may also extend into overlying sedimentary formations. ⁵

² Horne E. A. Hennings P. H., and Zahm C. K. 2021. Basement structure of the Delaware Basin, in The Geologic Basement of Texas: A Volume in Honor of Peter Flawn, Callahan O. A., and Eichubl P., The University of Texas at Austin, Bureau of Economic Geology.

³ G. Randy Keller, J. M. Hills &; Rabah Djeddi, A regional geological and geophysical study of the Delaware Basin, New Mexico and West Texas, Trans Pecos Region (West Texas) (1980).

⁴ Formation of Occurrence, Strike, Dip, and Length Interpreted by (Cortina, J. E. and Lemons, C. R. 2019. Houston, TX: Sourcewater, Inc.)

⁵ Ground Water Protection Council and Interstate Oil and Gas Compact Commission.

Potential Injection-Induced Seismicity Associated with Oil & Gas Development: A Primer on Technical and Regulatory Considerations Informing Risk Management and Mitigation. 2015. 141 pages.

Injection into either the Precambrian basement rock or its overlying formations that are hydraulically connected to the basement rock through faulting or fracture networks can increase the pore pressure and may lead to the fault slipping, resulting in a seismic event.⁴ As such, the vertical distance between the injection formation and Precambrian basement rock and the presence or lack of faulting within the injection interval are major considerations when determining the risk of injection-induced seismicity.

Geophysical logs from nearby well records show at least 8,225 feet of vertical separation between the injection interval and the Precambrian basement.³ In addition, injection-induced seismicity is not typically associated with shallow disposal wells in the Central Basin Platform and Delaware Basin areas, such as the FPNM SWD #6.

For injection into the Glorieta Sandstone to contribute to seismic activity, one of two hypothetical geologic scenarios must exist:⁶

- 1. Scenario #1: Earthquake hypocenters would need to be significantly shallower (several kilometers) than initially identified by the USGS and NMTSO seismic monitoring networks, and thus placing seismic activity high in the sedimentary column, rather than in the Precambrian basement.
- 2. Scenario #2: This scenario would require that both of the following conditions are met:
 - a. Fault Transmissivity: High permeability and transmissive conduits from fault-damaged zones would need to be present below the Glorieta, allowing fluid to migrate through the underlying Tubb Formation and through significantly deeper confining intervals, and eventually into the Precambrian basement.
 - b. Pore Pressure: The injection fluids and bottom hole pressures in the Glorieta would need to exceed existing hydrostatic pressures within the deeper geologic formation in order for injection fluids to migrate downward.

There are no publications or geologic data that suggest either of these scenarios to be true for the area around the FPNM SWD #6.

Formation Parting Pressure

Class II SWDs in New Mexico are administratively permitted with a maximum pressure gradient of 0.2 psi/ft. Review of New Mexico Oil Conservation Division (OCD) Order IP-476 submitted by Chevron USA Inc. in support of the Vacuum Glorieta West Unit, which is located approximately 60 miles northwest of the FPNM SWD #6, determined the fracture gradient of the Glorieta in the region ranges from 0.26-0.39 psi/ft from approved step-rate tests. Typical SWD permitting standards in New Mexico, and the requested operating parameters of the FPNM SWD #6, would indicate that formation parting pressure would not be exceeded by the FPNM SWD #6.

⁶ Skoumal, Robert J., et al. "Induced Seismicity in the Delaware Basin, Texas." *Journal of Geophysical Research: Solid Earth*, vol. 125, no. 1, 2020, doi:10.1029/2019jb018558.

Conclusion

As an expert on the issue of induced seismicity, seismic monitoring, and mitigation, it is my opinion that the potential for the FPNM SWD #6 to cause injection-induced seismicity is expected to be minimal, at best. This conclusion assumes the FPNM SWD #6 will be operated below formation parting pressure and is based on (1) the presence of numerous confining layers above and below the injection interval, (2) the significant vertical distance between the injection zone and Precambrian basement rock in which the nearest fault has been identified, and (3) the vertical distance from, and lack of historic seismicity on, identified shallow faults in the area of review.

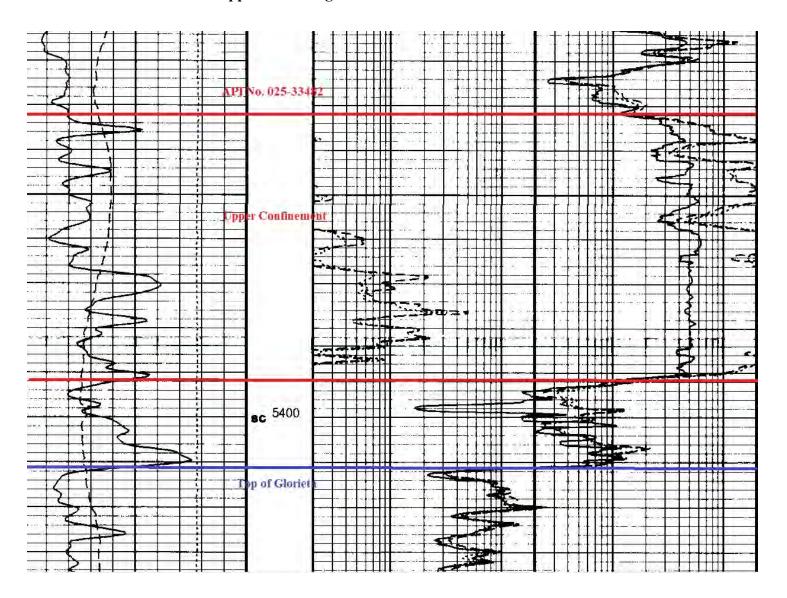
Sincerely,

ALL Consulting, LLC

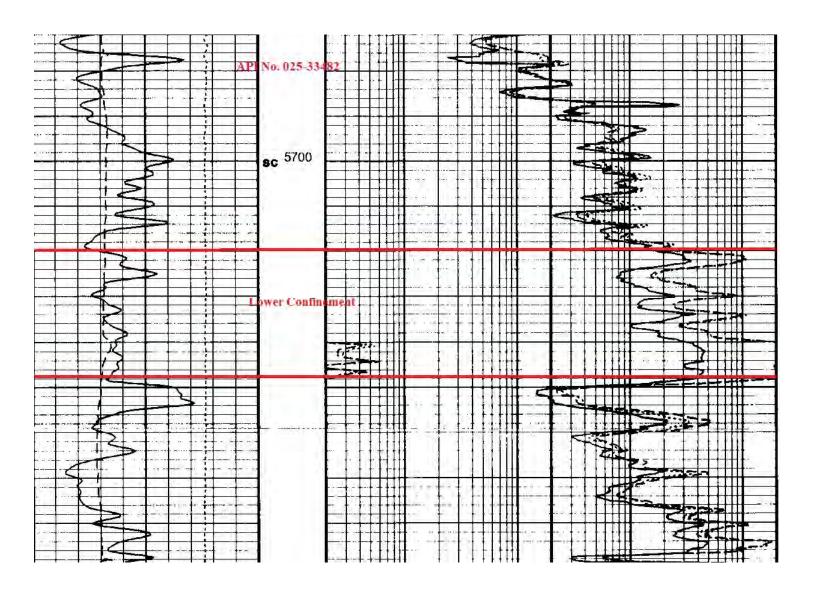
Reed Davis Geophysicist

> Attachment 1 Upper and Lower Confining Zones

Upper Confining Zone from API No. 025-33482

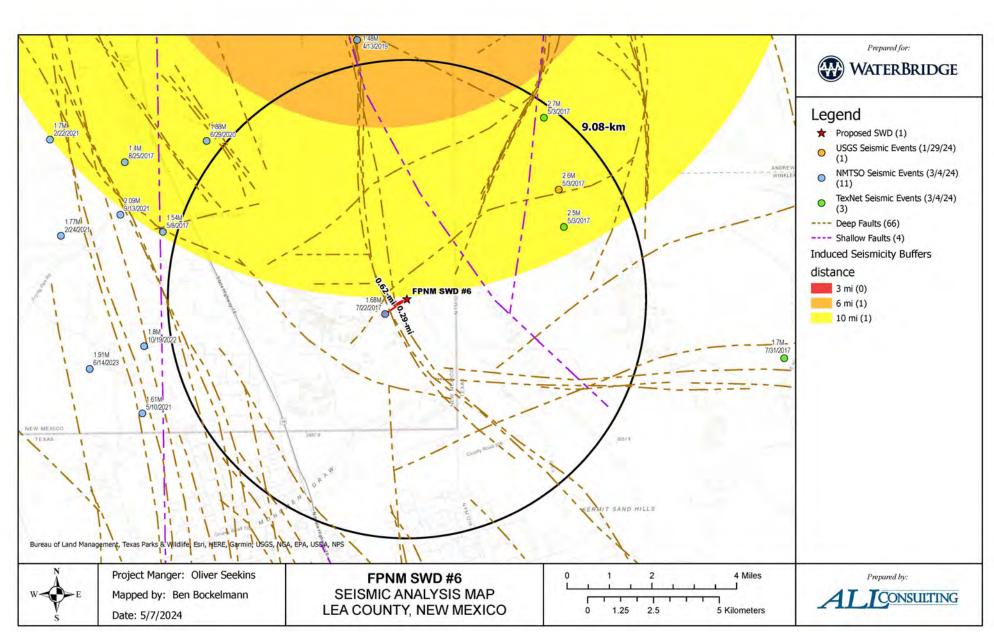


Lower Confining Zone from API No. 025-33482



> Attachment 2 Seismic Event Map

FPNM SWD #6 Nearby Seismic Events and Faults



List of Affected Persons

		FPNM SWD #6 - Noti	ice of Application Recipients			
Affected Party Classification	Entity - Proof of Notice	Entity - As Mapped/Exhibited	Address	City	State	Zip Code
Surface Owner	D.K. Boyd	N/A	3317 Andrews Hwy	Midland	TX	79703
NMOCD District Office	New Mexico Oil Conservation District 1	N/A	1625 N. French Dr	Hobbs	NM	88240
Mineral Owner	New Mexico Bureau of Land Management	N/A	301 Dinosaur Trail	Sante Fe	NM	87508
BLM - Lessee	Armstrong Energy Corporation	Armstrong Energy Corporation	P.O. Box 1973	Roswell	NM	88202
BLM - Lessee	R&R Royalty, Ltd.	R&R Royalty LTD	500 N Shoreline Blvd, Ste 322	Corpus Christi	TX	78401
Mineral Owner - Unleased	IDA KRISTINE HANSON	Unleased Private Sec. 17 T26S R36E	19018 CLOYANNA LANE	Humble	TX	77346
Mineral Owner - Unleased	Elizabeth W., Goff et al.	Unleased Private Sec. 08 T26S R36E	500 N Shoreline Blvd, Ste 322	Corpus Christi	TX	78401