

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**APPLICATION OF SELECT WATER SOLUTIONS,
LLC FOR APPROVAL OF A SALT WATER
DISPOSAL WELL, LEA COUNTY, NEW MEXICO.**

**CASE NOs. 25547, 25548, 25900
ORDER NO. R-24433**

ORDER OF THE DIVISION

The above captioned cases came in for hearing before the Oil Conservation Division (“OCD”) at 9:00 a.m. on February 5, 2026, in Santa Fe, New Mexico. The OCD Director, having been fully advised, FINDS AND ORDERS as follows:

1. The recommended Orders of the Division collectively attached as Exhibit 1 are hereby taken under advisement.
2. Pursuant 19.15.4.20 (B) NMAC, the OCD Director hereby refers the above captioned matters to the New Mexico Oil Conservation Commission to be heard as Commission’s Consolidated Cases Nos. 26053 and 26082.



**ALBERT C.S. CHANG
Division Director**

Date: 8/13/2026

EXHIBIT 1

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

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**CASE NO. 25547
ORDER NO. R-24433**

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division (“OCD”) at 9:00 a.m. on February 5, 2026, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of the Hearing Examiners, these findings of fact, and conclusions of law issues this Order.

FINDINGS

1. Due public notice has been given, and the OCD has jurisdiction of this case and the subject matter.
2. At hearing, Cases No. 25547, No. 25548, and No. 25900 were consolidated for the purpose of testimony; however, a separate hearing order shall be issued for each case.
3. In Case No. 25547, Select Water Solutions, LLC (“Applicant” or “Select”) seeks an order approving its proposed Javelina Fed 4 SWD No. 1 (“Subject Well”), located 408 feet from the South line and 831 feet from the East line (Unit P) of Section 4, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, as an Underground Injection Control (“UIC”) Class II well for disposal of produced water into the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group (“DMG”) through a perforated interval from 5,360 feet to 7,550 feet below surface.
4. On August 7, 2025, Applicant filed a Form C-108 application for an OCD hearing for approval of the Subject Well for disposal of produced water. Applicant did not previously submit this application for consideration through the administrative review process.

5. Devon Energy Production Company, LP (“Devon”) entered an objection to proceeding by affidavit for this application on August 27, 2025, and COG Operating LLC (“COG”) entered an objection to proceeding by affidavit for this application on August 28, 2025.

6. Following a status conference on September 25, 2025, the OCD Examiner issued a pre-hearing order which detailed the evidentiary requirements for the hearing and set the hearing date for November 18, 2025.

7. An amended pre-hearing order was issued by the OCD Examiner on October 23, 2025, which vacated the contested hearing on November 18, 2025, and rescheduled the hearing for January 13, 2026.

8. Subsequently and prior to hearing, Devon withdrew its objection on January 6, 2026, and COG withdrew its objection while maintaining its entry of appearance on January 7, 2026. Additionally, the hearing date was continued to February 5, 2026.

9. Pilot Water Solutions SWD, LLC (“Pilot”) entered an entry of appearance and notice of opposition to presentation by affidavit on January 28, 2026.

10. On February 2, 2026, Select filed a motion to strike the entry of appearance and objection filed by Pilot.

11. Desert Ram South Ranch, Inc. (“Desert Ram”) filed an entry of appearance notice of intervention and objection to proceedings by affidavit on February 3, 2026. Concurrently, Pilot filed a response to Select’s motion to strike and the request for limited additional time.

12. On February 4, 2026, the OCD Hearing Examiner issued an order granting Select’s motion to strike Pilot’s entry of appearance and objection in the case. On the same day, Select filed a motion to strike Desert Ram’s entry of appearance and notice of intervention and objection to hearing by affidavit.

13. Desert Ram filed a response in opposition to Select’s motion to strike and motion for limited evidentiary hearing on standing on February 4, 2026.

14. On February 5, 2026, the OCD Hearing Examiner issued an order granting Select’s motion to strike Desert Ram’s entry of appearance, notice of intervention, and objection to proceedings by affidavit. Following the issuance of order, Desert Ram immediately filed a motion for reconsideration of order granting Select’s motion to strike and renewed motion for limited evidentiary hearing on standing on February 5, 2026.

15. Pilot filed a motion for reconsideration of order granting Select’s motion to strike Pilot’s entry of appearance and objection, and request for leave to intervene under 19.15.4.11(C) NMAC on February 19, 2026.

16. Select filed a response in opposition to Pilot's motion for reconsideration on February 24, 2026.

17. The OCD Hearing Examiner issued an order on February 25, 2026, denying the motion for reconsideration filed by Pilot.

18. No other party filed an entry of appearance or appeared at hearing on February 5, 2026, in opposition to the application.

19. Select, through counsel, provided geologic and engineering exhibits and testimony at the hearing in support of the approval of the injection authority for the Subject Well.

a. Applicant proposed an injection interval within the Bell Canyon and Cherry Canyon formations with an upper confining layer composed of tight evaporites within the Salado and the Castile formations and a lower confining layer composed of low porosity and low permeability rocks within the Cherry Canyon formation.

b. The Subject Well will be constructed with the following casing strings: 18-5/8-inch conductor casing set at 120 feet; 13-3/8-inch surface casing set at 1,090 feet; 9-5/8-inch intermediate casing set at 5,305 feet; and 7-5/8-inch production casing set at 6,520 feet.

c. The Subject Well will inject through 5-1/2-inch fiberglass or equivalent lined tubing at a setting depth of 5,340 feet with a SC-2 retrievable packer or equivalent set at 5,340 feet.

d. The proposed injection interval was characterized as a 1,140-foot-thick section of sandstones and siltstones with significant primary porosity and permeability.

e. Applicant identified one plugged well that penetrated the proposed injection interval within the one-half mile Area of Review ("AOR") of the surface location of the Subject Well. The wellbore information for the Sinclair et al A No. 1 (API No. 30-025-20999) indicates the well is properly plugged to prevent vertical migration of injection fluids.

f. Based on the records from the New Mexico Office of the State Engineer, there are no freshwater wells within one mile of the surface location of the Subject Well.

g. The source of produced water will be from production wells completed in the Abo, Yeso Group, Avalon Shale, Bone Spring, and Wolfcamp formations.

h. The analyses of produced water samples provided by Applicant showed the compatibility of the injection fluids with formation fluids in the proposed disposal interval.

i. Applicant proposes a commercial operation with an average and maximum injection rate of 15,000 barrels of water per day ("BWPD") and 20,000 BWPD respectively using a maximum surface injection pressure of 1,072 pounds per square inch.

j. The Applicant identified that there is no evidence of faults that would allow for communication between the underground source of drinking water (“USDW”) and Bell Canyon and Cherry Canyon injection zones.

k. The Applicant provided evidence of notification regarding this application to all “affected persons” within a one-half mile radius of the surface location of the Well and provided an affidavit of publication in a newspaper of general circulation in the county.

l. Clarified that the conductor casing would be cemented using a conventional cement job where cement is pumped down the inside of the casing and circulated into the annular space and back to surface.

m. Clarified that the sonic log will be used to analyze geo-mechanical properties of the injection formation and the upper confinement.

n. The use of diverter valve (“DV”) for completion of the intermediate and production casings was discussed. The Applicant stated that they will plan to use DV tools when cementing the intermediate and production casing strings but did not provide any specific information on possible depth or reasons for selecting depth.

o. Applicant clarified that an on-off tool will be installed along with landing nipples below the packer.

p. OCD Technical Examiner identified concerns with the proposed upper confining layer and stipulated requirement for additional unperforated section on top of Bell Canyon formation. The upper most perforation must be at least a minimum of 100 feet below the base of the Salado formation. Additionally, a cement bond log (“CBL”) will be required across the production casing.

q. It was clarified that there is no USDW beneath the proposed injection interval and that the Rustler formation is the deepest USDW in this area.

r. A 3-D Seismic Interpretation Statement (as found in other Form C-108 applications submitted by Select) was not included for this application; therefore, the OCD Technical Examiner requested that it be included as supplemental information.

20. Select requested that the OCD continue this case to the February 26th hearing docket in order to provide time for submittal and review of the requested information.

21. Applicant provided information requested by the OCD Technical Examiner was submitted on February 19, 2026. This includes the following subject matters:

- a. An updated wellbore diagram was submitted showing the new perforated interval from 5,405 feet to 6,500 feet. This new perforated interval places the top perforation at least 100 feet below the base of the Salado formation.
- b. The revised proposed maximum injection pressure due to the updated top perforation depth is 1,081 pounds per square inch.
- c. The new proposed injection interval is characterized as a 1,095-foot-thick section of sandstones and siltstones with significant primary porosity and permeability.
- d. A statement providing additional details on the 3-D Seismic Interpretation Statement of the original application was included.
- e. An induced seismicity risk assessment that concluded that the potential for the Subject well to cause injection-induced seismicity is expected to be minimal.

CONCLUSIONS OF LAW

- 22. Applicant provided the information required by 19.15.26 NMAC and the Form C-108 for an application to inject produced water into a Class II UIC well.
- 23. Applicant complied with the notice requirements of 19.15.4 NMAC.
- 24. Applicant affirmed in a sworn statement by a qualified person that it examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the approved injection interval and any underground sources of drinking water.
- 25. Applicant is in compliance with 19.15.5.9 NMAC.
- 26. The proposed well construction provided in the application is protective of the USDW at the location of the Well.
- 27. The proposal for the Salado formation, even where the Castile formation is present, as the primary upper confining zone for injection in the Delaware Mountain Group is not sufficient and is not supported by the OCD. OCD requires additional separation between the injection interval and the base of the Salado or Castile formations by increasing this confining zone with either the inclusion of the thickness of the Lamar member (or Lamar Limestone) or a comparable section of the upper Bell Canyon formation with impermeable beds as determined by the results of CBL.
- 28. Having considered the evidence, approval of disposal in the Subject Well with specific conditions will enable Applicant to support existing production and future exploration in this area, thereby preventing waste while not impairing correlative rights and protecting fresh water or underground sources of drinking water.

ORDER

1. Select Water Solutions, LLC is hereby authorized by **UIC Permit SWD-2692** to utilize its Javelina Fed 4 SWD Well No. 1, located in Unit P of Section 4, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, for the disposal of UIC Class II fluids from their production operations into the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group.

2. Jurisdiction is retained by the OCD for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order; whereupon the OCD may, after notice and hearing or prior to notice and hearing in event of an emergency, terminate the disposal authority granted herein.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

ALBERT C.S. CHANG
Division Director

Date: _____

AC/sjs

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

UIC CLASS II PERMIT SWD-2692

APPENDIX A – AUTHORIZED INJECTION

Permittee: Select Water Solutions, LLC

OGRID No.: 289068

Well name: Javelina Fed 4 SWD No. 1

Surface location: 408 feet from the South line and 831 feet from the East line (Unit Letter P), Section 4, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico
Latitude/Longitude: 32.066185° N and 103.366590° W NAD83

Bottom hole location (if different): NA

Type of completion: Perforations

Type of injection: Commercial disposal of produced water

Injection fluid: UIC Class II fluids (produced water)

Injection interval: Bell Canyon and upper Cherry Canyon formations of the Delaware Mountain Group

Injection interval thickness (feet): 5405 to 6500 (total interval: approximately 1095)

Confining layer(s): upper confining layer: below the base of the Lamar member; lower confining layer: sequence of low porosity/low permeability beds in the lower Cherry Canyon formation.

Prohibited injection interval(s): All formations or intervals not permitted including loss circulation zones.

Liner, tubing, and packer set: fiberglass or equivalent lined, 5.5-inch tubing with a packer set within 100 feet of the uppermost perforation; no liner used for well completion.

Maximum daily injection rate: 20,000 barrels of water

Maximum surface injection pressure: 1081 psi

**STATE OF NEW MEXICO
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UIC CLASS II PERMIT SWD-2692

Pursuant to the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, (“Act”) and its implementing regulations, 19.15.1 *et seq.* NMAC, (“Rules”) and the federal Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, the Oil Conservation Division (“OCD”) issues this Permit to Select Water Solutions, LLC (“Permittee”) to authorize the construction and operation of a well to inject produced water at the location and under the terms and conditions specified in this Permit and Appendix A.

I. GENERAL CONDITIONS

A. AUTHORIZATION

1. Scope of Permit. This Permit authorizes the injection of produced water into the well described on Appendix A (“Well”). Any injection not specifically authorized by this Permit is prohibited. Permittee shall be the “operator” of the Well as defined in 19.15.2.7(O)(5) NMAC.

a. Injection is limited to the approved injection interval described in Appendix A. Permittee shall not allow the movement of fluid containing any contaminant into an underground source of drinking water (“USDW”) if the presence of that contaminant may cause a violation of a Primary Drinking Water Regulation adopted pursuant to 40 CFR Part 142 or that may adversely affect the health of any person. [40 CFR 144.12(a)]

b. The wellhead injection pressure for the Well shall not exceed the value identified in Appendix A.

c. Permittee shall not commence to drill, convert, or recompleting the Well until receiving this approval and until OCD approves a Form C-101 Application for Permit to Drill (“APD”) pursuant to 19.15.14 NMAC or receives an approved federal Form 3160-3 APD for the Well. [40 CFR 144.11; 19.15.14.8 and 19.15.26.8 NMAC]

d. Permittee shall not commence injection into the Well until the Permittee complies with the conditions in Section I. C. of this Permit.

e. This Permit authorizes injection of any UIC Class II fluid or oil field waste defined in 19.15.2.7(E)(6) NMAC.

f. This Permit does not authorize injection for an enhanced oil recovery project as defined in 19.15.2.7(E)(2) NMAC.

2. Notice of Commencement. Permittee shall provide written notice on Form C-103 to OCD E-Permitting and notify OCD Engineering Bureau by email of the submittal no later than two (2) business days following the date on which injection commenced into the Well. [19.15.26.12(B) NMAC]

3. Termination. Unless terminated sooner, this Permit shall remain in effect for a term of twenty (20) years beginning on the date of issuance. Permittee may submit an application for a new permit prior to the expiration of this Permit. If Permittee submits an application for a new permit, then the terms and conditions of this Permit shall remain in effect until OCD denies the application or grants a new permit.

a. This Permit shall terminate one (1) year after the date of issuance if Permittee has not commenced injection into the Well, provided, however, that OCD may grant a single extension of no longer than one (1) year for good cause shown. Permittee shall submit a written request for an extension to OCD Engineering Bureau no later than thirty (30) days prior to the deadline for commencing injection.

b. One (1) year after the last date of reported injection into the Well, OCD shall consider the Well abandoned, the authority to inject pursuant to this Permit shall terminate automatically, and Permittee shall plug and abandon the Well as provided in Section I. E. of this Permit. Upon receipt of a written request by the Permittee no later than one year after the last date of reported injection into the Well, OCD may grant an extension for good cause. [19.15.26.12(C) NMAC]

B. DUTIES AND REQUIREMENTS

1. Duty to Comply with Permit. Permittee shall comply with the terms and conditions of this Permit. Any noncompliance with the terms and conditions of this Permit, or of any provision of the Act, Rules or an Order issued by OCD or the Oil Conservation Commission, shall constitute a violation of law and is grounds for an enforcement action, including revocation of this Permit and civil and criminal penalties. Compliance with this Permit does not relieve Permittee of the obligation to comply with any other applicable law, or to exercise due care for the protection of fresh water, public health and safety and the environment. The contents of the Application and Appendix A shall be enforceable terms and conditions of this Permit. [40 CFR 144.51(a); 19.15.5 NMAC]

2. Duty to Halt or Reduce Activity to Avoid Permit Violations. Permittee shall halt or reduce injection to avoid a violation of this Permit or other applicable law. It shall not be a defense in an enforcement action for Permittee to assert that it would have been necessary to halt or reduce injection in order to maintain compliance with this Permit. [40 CFR 144.51(c)]

3. Duty to Mitigate Adverse Effects. Permittee shall take all reasonable steps to minimize, mitigate and correct any waste or effect on correlative rights, public health, or the environment resulting from noncompliance with the terms and conditions of this Permit. [40 CFR 144.51(d)]

4. Duty to Operate and Maintain Well and Facilities. Permittee shall operate and maintain the Well and associated facilities in compliance with the terms and conditions of this Permit. [40 CFR 144.51(e)]

5. Duty to Provide Information. In addition to any other applicable requirement, Permittee shall provide to OCD by the date and on the terms specified by OCD any information which OCD requests for the purpose of determining whether Permittee is complying with the terms and conditions of this Permit. [40 CFR 144.51(h)]

6. Private Property. This Permit does not convey a property right or authorize an injury to any person or property, an invasion of private rights, or an infringement of state or local law or regulations. [40 CFR 144.51(g)]

7. Inspection and Entry. Permittee shall allow OCD's authorized representative(s) to enter upon the Permittee's premises where the Well is located and where records are kept for the purposes of this Permit at reasonable times and upon the presentation of credentials to:

- a. Inspect the Well and associated facilities;
- b. Have access to and copy any record required by this Permit;
- c. Observe any action, test, practice, sampling, measurement or operation of the Well and associated facilities; and
- d. Obtain a sample, measure, and monitor any fluid, material or parameter as necessary to determine compliance with the terms and conditions of this Permit. [40 CFR 144.51(i)]

8. Certification Requirement. Permittee shall sign and certify the truth and accuracy of all reports, records, and documents required by this Permit or requested by OCD. [40 CFR 144.51(k)]

9. Financial Assurance. Permittee shall provide and maintain financial assurance for the Well in the amount specified by OCD until the Well has been plugged and abandoned and the financial assurance has been released by OCD. [40 CFR 144.52; 19.15.8.12 NMAC]

C. PRIOR TO COMMENCING INJECTION

1. Construction Requirements.

- a. Permittee shall construct the Well as described in the Application, Appendix A and as required by the Special Conditions.

b. Permittee shall construct and operate the Well in a manner that ensures the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

2. Tests and Reports. Permittee shall complete the following actions prior to commencing injection in the Well.

a. Permittee shall obtain and comply with the terms and conditions of an approved APD prior to commencing drilling of the Well, or other OCD approval, as applicable, prior to converting or recompleting the Well. If the APD is approved by the OCD, the Well shall be subject to the construction, testing, and reporting requirements of 19.15.16 NMAC.

b. Permittee shall circulate to surface the cement for all casings. If cement does not circulate on any casing string, Permittee shall run a cement bond log ("CBL") to determine the top of cement, then notify the OCD Engineering Bureau and the appropriate OCD Inspection Supervisor and submit the CBL prior to continuing with any further cementing on the Well. If the cement did not tie back into next higher casing shoe, Permittee shall perform remedial cement action to bring the cement to a minimum of two hundred (200) feet above the next higher casing shoe.

c. If a liner is approved for the construction of the Well, Permittee shall run and submit to OCD E-Permitting and notify the OCD Engineering Bureau by email, a CBL for the liner to demonstrate placement cement and the cement bond with the tie-in for the casing string.

d. Permittee shall submit the mudlog, geophysical logs, and a summary of depths (picks) for the contacts of the formations demonstrating that only the permitted formation is open for injection. OCD may amend this Permit to specify the depth of the approved injection interval within the stratigraphic interval requested in the application. If Permittee detects a hydrocarbon show during the drilling of the Well, it shall notify OCD Engineering Bureau by email and obtain written approval prior to commencing injection into the Well.

e. Permittee shall obtain and submit on a Form C-103 a calculated or measured static bottom-hole pressure measurement representative of the completion in the approved injection interval.

f. Permittee shall conduct an initial mechanical integrity test ("MIT") on the Well in compliance with the terms and conditions of this Permit and 19.15.26 NMAC, and shall not commence injection into the Well until the results of the initial MIT have been approved by the appropriate OCD Inspection Supervisor. [19.15.26.11(A) NMAC]

g. OCD retains authority to require a wireline verification of the completion and packer setting depths in this Well. [19.15.26.11(A) NMAC]

D. OPERATION

1. Operation and Maintenance.

a. Permittee shall equip, operate, monitor and maintain the Well to facilitate periodic testing, assure mechanical integrity, and prevent significant leaks in the tubular goods and packing materials used and significant fluid movements through vertical channels adjacent to the well bore. [19.15.26.10(A) NMAC]

b. Permittee shall operate and maintain the Well and associated facilities in a manner that confines the injected fluid to the approved injection interval and prevents surface damage and pollution by leaks, breaks and spills. [19.15.26.10(B) NMAC]

c. OCD may authorize an increase in the maximum surface injection pressure upon a showing by the Permittee that such higher pressure will not result in the migration of the disposed fluid from the approved injection interval or induced seismicity. Such proper showing shall be demonstrated by sufficient evidence, including an acceptable step-rate test.

d. If OCD has reason to believe that operation of the Well may have caused or determined to be contributing to seismic activity, Permittee shall, upon OCD's written request:

i. Take immediate corrective action, which could include testing and evaluating of the injection interval and confining layers; suspending or reducing of the rate of injection or maximum surface injection pressure, or both; and providing increased monitoring of the Well's operation; and

ii. Submit a remedial work plan or an application to modify the Permit to implement the corrective action, plug back the injection interval, or incorporate another modification required by OCD.

OCD may approve the remedial work plan, modify the Permit or issue an emergency order or temporary cessation order as it deems necessary.

2. Pressure Limiting Device.

a. The Well shall be equipped with a pressure limiting device, which is in workable condition and can be tested for proper calibration at the well site,

that shall limit surface tubing pressure to the maximum surface injection pressure specified in Appendix A.

b. Permittee shall test the pressure limiting device and all gauges and other metering requirement to ensure their accuracy and proper function no less than every five (5) years.

3. Mechanical Integrity. Permittee shall conduct a MIT prior to commencing injection, at least every five (5) years after the date of the previous MIT, and whenever the tubing is removed or replaced, the packer is reset, mechanical integrity is lost, Permittee proposes to transfer the Well, or requested by OCD.

a. MITs shall be conducted in accordance with 19.15.26 NMAC.

b. Permittee shall submit a sundry notice on Form C-103 of intent to install or replace injection equipment or conduct a MIT no later than three (3) business days prior to the event.

c. Permittee shall report the result of a MIT no later than two (2) business days after the test.

d. Permittee shall cease injection and shut-in the Well no later than twenty-four (24) hours after discovery if:

i. The Well fails a MIT; or

ii. Permittee observes conditions at the Well that indicate the mechanical failure of tubing, casing, or packer.

e. Permittee shall take all necessary actions to address the effects resulting from the loss of mechanical integrity in accordance with 19.15.26.10 NMAC.

f. Permittee shall conduct a successful MIT pursuant to 19.15.26.11 NMAC, including written approval from OCD prior to recommencing injection and the requirements contained in Section I G.3.

4. Additional Tests. Permittee shall conduct any additional test requested by OCD, including but not limited to step-rate tests, tracer surveys, injection surveys, noise logs, temperature logs, and casing integrity logs [19.15.26.11(A)(3) NMAC]

5. Records.

a. Permittee shall retain a copy of each record required by this Permit for a period of at least five (5) years and shall furnish a copy to OCD upon request. [40 CFR 144.51(h)]

b. Permittee shall retain a record of each test, sample, measurement, and certification of accuracy and function collected for the Well, including:

- i. Date, location, and time of sample, measurement or calibration;
- ii. Person who conducted the sample event, -measurement or calibration;
- iii. Calibration of gauge or other equipment in accordance with the manufacturer's specifications;
- iv. Description of method and procedures;
- v. Description of handling and custody procedures; and
- vi. Result of the analysis.

E. PLUGGING AND ABANDONMENT

1. Upon the termination of this Permit, Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

2. If Permittee has received an extension pursuant to Section I. A. 3. b., Permittee shall apply for approved temporary abandonment pursuant to 19.15.25 NMAC.

3. If this Permit expires pursuant to 19.15.26.12 NMAC and OCD has not issued a new permit, then Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

4. Permittee's temporary abandonment of the Well shall not toll the abandonment of injection in accordance with 19.15.26.12(C) NMAC.

F. REPORTING

1. **Monthly Reports.** Permittee shall submit a report using Form C-115 using the OCD's web-based online application on or before the 15th day of the second month following the month of injection, or if such day falls on a weekend or holiday, the first workday following the 15th, with the number of days of operation, injection volume, and injection pressure. [19.15.26.13 NMAC; 19.15.7.24 NMAC]

2. **Corrections.** Permittee shall promptly disclose to OCD any incorrect information in the Application or any record required by this Permit and submit corrected information. [40 CFR 144.51(h)(8)]

G. CORRECTIVE ACTION

1. Releases. Permittee shall report any unauthorized release of injection fluid at the Well or associated facilities in accordance with 19.15.29 and 19.15.30 NMAC.

2. Failures and Noncompliance. Permittee shall report the following incidents to appropriate OCD Inspection Supervisor and OCD Engineering Bureau verbally and by e-mail no later than 24 hours after such incident:

a. Any mechanical integrity failures identified in Section I. D. 3. d;

b. The migration of injection fluid from the injection interval [19.15.26.10 NMAC]; or

c. A malfunction of the Well or associated facilities that may cause waste or affect the public health or environment, including: (a) monitoring or other information which indicates that a contaminant may affect a USDW; or (b) noncompliance or malfunction which may cause the migration of injection fluid into or between USDWs. [40 CFR 144.51(l)(6)]

3. Corrective Action. Permittee shall submit a written report describing the incident in Sections I.G.1 or I.G.2, including a corrective active plan, no later than five (5) calendar days after discovery of the incident. [40 CFR 144.51(l)(6)] For an unauthorized release, Permittee also shall comply with the site assessment, characterization and remediation requirements of 19.15.29 and 19.15.30 NMAC.

4. Restriction or Shut-In. OCD may restrict the injected volume and pressure or shut-in the Well if OCD determines that the Well has failed or may fail to confine the injected fluid to the approved injection interval or has caused induced seismicity until OCD determines that Permittee has identified and corrected the failure. [19.15.26.10(E) NMAC]

H. PERMIT CHANGES

1. Transfer. This Permit shall not be transferred without the prior written approval of OCD. Permittee shall file Form C-145 for a proposed transfer of the Well. OCD may require, as a condition of approving the transfer, that this Permit be amended to ensure compliance and consistency with applicable law. If the Well has not been spud prior to the transfer, the OCD may require that the new operator reapply and submit to the OCD a new Form C-108 prior to constructing and injecting into the well. [19.15.26.15 NMAC; 19.15.9.9 NMAC]

2. Insolvency. Permittee shall notify OCD Engineering Bureau of the commencement of a voluntary or involuntary proceeding in bankruptcy which names Permittee or an entity which operates the Well on behalf of Permittee as a debtor no later than ten (10) business days after the commencement of the proceeding.

3. **OCD Authority to Modify Permit and Issue Orders**

a. The OCD may amend, suspend, or revoke this Permit after notice and an opportunity for hearing if it determines that:

- i. The Permit contains a material mistake;
- ii. Permittee made an incorrect statement on which OCD relied to establish a term or condition of the Permit or grant this Permit;
- iii. this Permit must be amended to ensure compliance and consistency with applicable law, including a change to the financial assurance requirements;
- iv. The Well's operation may affect the water quality of fresh water;
- v. Injected fluid is escaping from the approved injection interval;
- vi. Injection may be caused or contributed to seismic activity:
or
- vii. Injection may cause or contribute to the waste of oil, gas or potash resources or affect correlative rights, public health, or the environment.

b. OCD retains jurisdiction to enter such orders as it deems necessary to prevent waste and to protect correlative rights, protect public health, and the environment.

c. OCD retains jurisdiction to review this Permit as necessary and no less than once every five (5) years, and may determine whether this Permit should be modified, revoked and reissued, or terminated. [40 CFR 144.36(a)]

4. Permittee Request to Modify Permit. Permittee may apply to modify the terms of this Permit.

a. **Minor Modifications.** OCD may make a minor modification to this Permit without notice and an opportunity for hearing for:

- i. Non-substantive changes such as correction of typographical errors;
- ii. Requirements for more frequent monitoring or reporting;

- iii. Changes to the Well construction requirements provided that any alteration shall comply with the conditions of the Permit and does not change the Area of Review considered in the application for the Permit;
- iv. Amendments to the plugging and abandonment plan;
- v. Changes in the types of fluids injected which are consistent with sources listed in the application for the Permit and do not change the classification of the Well;
- vi. Corrections of the actual injection interval if within the approved formation; or
- vii. Transfer of a Permit for a Well that has been spud. [40 CFR 144.41]

b. **Major Modifications.** OCD shall require notice and an opportunity for hearing for any modification that is not minor. For such modifications, Permittee shall submit Form C-108 and comply with the notice requirements of 19.15.26 NMAC.

II. SPECIAL CONDITIONS

Permittee shall comply with the following Special Conditions for UIC Class II disposal wells approved with injection intervals in the Delaware Mountain Group:

1. **Restrictions on Well Construction and Well Stimulation:** Subject to the results of the CBL, the location of the first (or top) perforation in the injection interval shall be:
 - a. below the base of the Lamar member (of the Bell Canyon formation); or
 - b. if the Lamar is not present, a minimum of 100 feet below the base of the Salado formation. If the CBL shows poor cement quality, the depth of the top perforation shall be increased to more than 100 feet to mitigate the potential for injected water to contact the Salado formation.

Any stimulation of the Well shall not use proppants or other materials during completion or subsequent workovers.

2. **Well Construction:** Applicant shall evaluate the use of diverter valve (“DV”) tools and external casing packers for the intermediate and production casing strings to facilitate improved cementing operations and final cement placement. OCD shall reserve the authority to require remedial cementing on any casing string shown to be poor in quality based on the results of well testing and logging.

3. **Formation Water and Hydrocarbon Testing:** The Permittee shall obtain a water sample of the injection interval for analysis of hydrocarbon content as well as general water chemistry (including major cations, major anions, and Total Dissolved Solids (“TDS”)). Analytical methods shall be from those methods approved by the United States Environmental Protection Agency and the analyses shall be conducted by a NELAP-accredited laboratory. In addition to the sampling event, the Permittee shall conduct a production test such as a swab test if the drilling of the Well indicates a show of hydrocarbon. Prior to commencing injection, the Permittee shall submit the laboratory results (entire laboratory report) and production test along with a written summary of sampling/testing procedures and observations using a Form C-103 Subsequent Report (General). *If the analysis of the sample is found to contain a TDS concentration of 10000 mg/L or less or if the production test indicates produceable quantity of hydrocarbons, the injection authority under this Permit shall be suspended ipso facto.*
4. **Additional Testing: Requirement for Initial Step-Rate Test:** Permittee shall prepare and submit a separate Form C-103 Notice of Intent for a step-rate test (“SRT”) to be completed prior to commencing injection. Injection shall commence only with the approval of a Form C-103 Subsequent Report that contains the results of the SRT.
5. **Additional Testing: CBL for Surface Casing and Geophysical Logging:** Permittee shall complete a CBL for the surface casing and provide the complete log to the OCD prior to commencing injection. A CBL shall be required across the production casing and for any intermediate casings which penetrate the Salado formation or Capitan formation. Permittee shall complete, at a minimum, a geophysical log suite described as a “quad combo” across zones stated in supplemental exhibit packet and submit the logs to the OCD. Permittee shall also run sonic log(s) to characterize the stress/fracture gradients for the upper and lower confining zones.
6. **Additional Reporting: Annual Injection Data Review:** In addition to the requirements under I. General Conditions, F. Reporting, 1. Monthly Reporting; Permittee shall compile, from the parameters continuously monitored by the operator, sufficient data for a twelve (12) month period to construct a Hall’s plot for the Well. This assessment shall be completed annually and submitted to the OCD using Form C-103 Subsequent Report. With the plot, Permittee shall note any result which may indicate anomalies in injection operation and permit restrictions.
7. **Additional Reporting: Bottomhole Pressure:** In addition to paragraph (e) of I.C.2 of this permit, Permittee shall obtain a static bottomhole pressure every two years after commencement of injection. This information shall be provided using a Form C-103 Subsequent Report no later than January 31 of the calendar year following the year in which the data was collected.
8. **Additional Reporting: Five-Year Well Performance Report:** Permittee shall submit a report to OCD every fifth year following the date injection commenced. The report shall

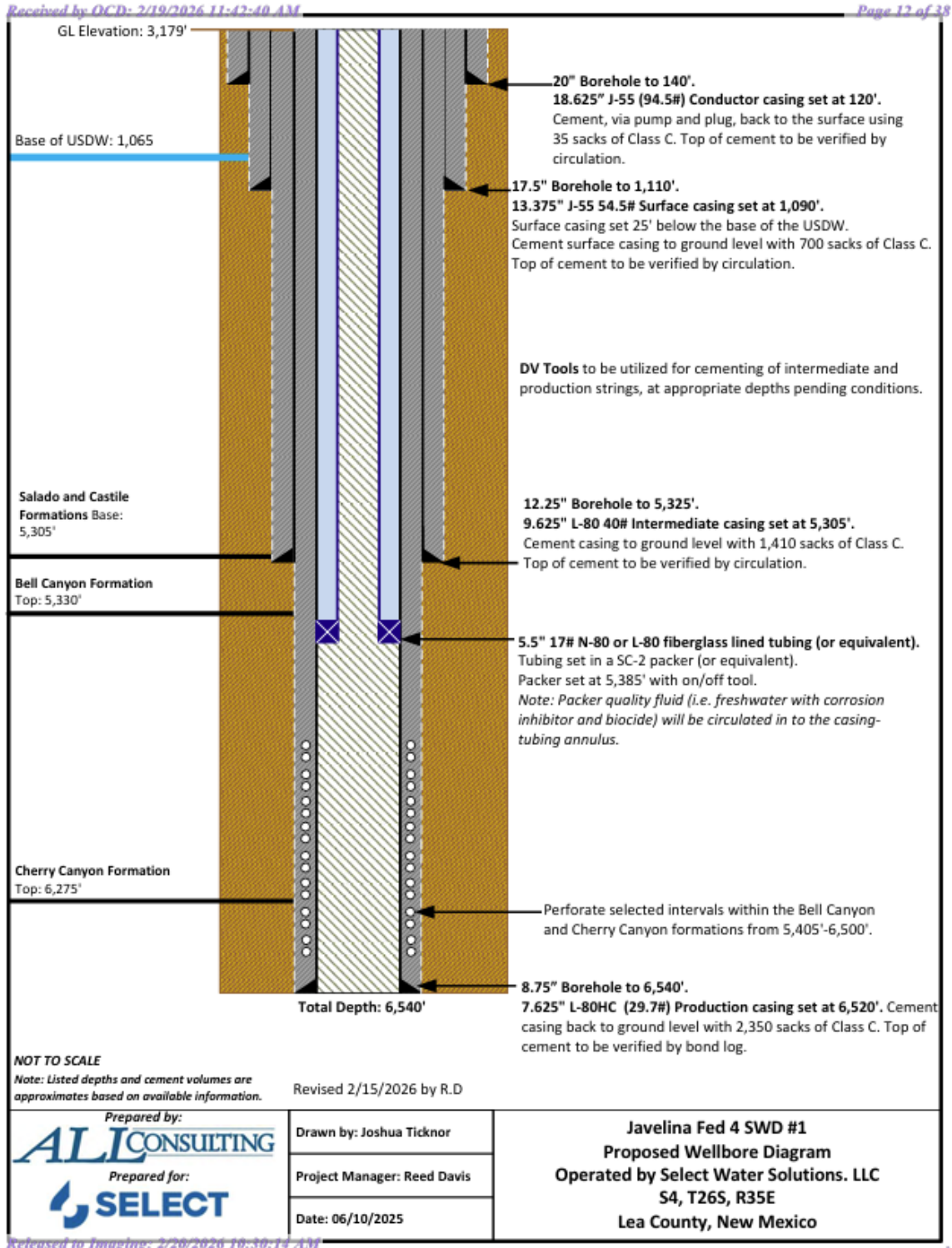
include a summary of a well performance based on injection volumes, injection pressure, and any additional data collected from the Well. This evaluation shall include a delineation of the injection pressure front and include the use of Hall's plot for each year of operation as detailed in Special Condition 6. Permittee and OCD shall coordinate regarding the information to be included in the five-year reports should there be changes in operation or injection performance. Permittee shall submit these reports to the OCD within sixty (60) days of the end date for the reporting period.

9. **Additional Monitoring: Seismic Monitoring Station:** Permittee shall make a recommendation to the OCD to establish a seismic monitoring station in proximity to the Well to be included in the public seismic monitoring array. Following approval of the OCD for a plan to establish a station, the Permittee shall contact the New Mexico Tech Seismological Observatory to obtain technical specifications of equipment to be installed and shall periodically transfer all unprocessed data to the public repository.
10. **Resolution of General Permit Conditions with Special Conditions:** If any conditions contained in the general Permit conflict with the conditions set by the OCD under II. Special Conditions, then the requirements of the Special Conditions shall supersede the condition found in the sections of the general Permit.

End of special conditions.

III. ATTACHMENT

Well Completion Diagram as Provided in the Supplemental Exhibit Package submitted February 19, 2026, for Case No. 25547.



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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**APPLICATION OF SELECT WATER SOLUTIONS,
LLC FOR APPROVAL OF A SALT WATER
DISPOSAL WELL, LEA COUNTY, NEW MEXICO.**

**CASE NO. 25548
ORDER NO. R-24434**

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division (“OCD”) at 9:00 a.m. on February 5, 2026, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of the Hearing Examiners, these findings of fact, and conclusions of law issues this Order.

FINDINGS

1. Due public notice has been given, and the OCD has jurisdiction of this case and the subject matter.
2. At hearing, Cases No. 25547, No. 25548, and No. 25900 were consolidated for the purpose of testimony; however, a separate hearing order shall be issued for each case.
3. In Case No. 25548, Select Water Solutions, LLC (“Applicant” or “Select”) seeks an order approving its proposed Jackrabbit Fed SWD No. 1 (“Subject Well”), located 566 feet from the South line and 1968 feet from the East line (Unit O) of Section 28, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, as an Underground Injection Control (“UIC”) Class II well for disposal of produced water into the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group (“DMG”) through a perforated interval from 5,305 feet to 7,750 feet below surface.
4. On August 7, 2025, Applicant filed a Form C-108 application for an OCD hearing for approval of the Subject Well for disposal of produced water. Applicant did not previously submit this application for consideration through the administrative review process.

5. Devon Energy Production Company, LP (“Devon”) entered an objection to proceeding by affidavit for this application on August 27, 2025, and COG Operating LLC (“COG”) entered an objection to proceeding by affidavit for this application on August 28, 2025.

6. Following a status conference on September 25, 2025, the OCD Examiner issued a pre-hearing order which detailed the evidentiary requirements for the hearing and set the hearing date for November 18, 2025.

7. An amended pre-hearing order was issued by the OCD Examiner on October 23, 2025, which vacated the contested hearing on November 18, 2025, and rescheduled the hearing for January 13, 2026.

8. Subsequently and prior to hearing, Devon withdrew its objection on January 6, 2026, and COG withdrew its objection while maintaining its entry of appearance on January 7, 2026. Additionally, the hearing date was continued to February 5, 2026.

9. Pilot Water Solutions SWD, LLC (“Pilot”) entered an entry of appearance and notice of opposition to presentation by affidavit on January 28, 2026.

10. On February 2, 2026, Select filed a motion to strike the entry of appearance and objection filed by Pilot.

11. Desert Ram South Ranch, Inc. (“Desert Ram”) filed an entry of appearance notice of intervention and objection to proceedings by affidavit on February 3, 2026. Concurrently, Pilot filed a response to Select’s motion to strike and the request for limited additional time.

12. On February 4, 2026, the OCD Hearing Examiner issued an order granting Select’s motion to strike Pilot’s entry of appearance and objection in the case. On the same day, Select filed a motion to strike Desert Ram’s entry of appearance and notice of intervention and objection to hearing by affidavit.

13. Desert Ram filed a response in opposition to Select’s motion to strike and motion for limited evidentiary hearing on standing on February 4, 2026.

14. On February 5, 2026, the OCD Hearing Examiner issued an order granting Select’s motion to strike Desert Ram’s entry of appearance, notice of intervention, and objection to proceedings by affidavit. Following the issuance of order, Desert Ram immediately filed a motion for reconsideration of order granting Select’s motion to strike and renewed motion for limited evidentiary hearing on standing on February 5, 2026.

15. Pilot filed a motion for reconsideration of order granting Select’s motion to strike Pilot’s entry of appearance and objection, and request for leave to intervene under 19.15.4.11(C) NMAC on February 19, 2026.

16. Select filed a response in opposition to Pilot's motion for reconsideration on February 24, 2026.

17. The OCD Hearing Examiner issued an order on February 25, 2026, denying the motion for reconsideration filed by Pilot.

18. No other party filed an entry of appearance or appeared at hearing on February 5, 2026, in opposition to the application.

19. Select, through counsel, provided geologic and engineering exhibits and testimony at the hearing in support of the approval of the injection authority for the Subject Well.

a. Applicant proposed an injection interval within the Bell Canyon and Cherry Canyon formations with an upper confining layer composed of tight evaporites within the Salado and the Castile formations and a lower confining layer composed of low porosity and low permeability rocks within the Cherry Canyon formation.

b. The Subject Well will be constructed with the following casing strings: 18-5/8-inch conductor casing set at 120 feet; 13-3/8-inch surface casing set at 1,040 feet; 9-5/8-inch intermediate casing set at 5,290 feet; and 7-5/8-inch production casing set at 6,520 feet.

c. The Subject Well will inject through 5-1/2-inch fiberglass or equivalent lined tubing at a setting depth of 5,285 feet with a SC-2 retrievable packer or equivalent set at 5,285 feet.

d. The proposed injection interval was characterized as a 1,195-foot-thick section of sandstones and siltstones with significant primary porosity and permeability.

e. There are no wells identified within the one-half mile Area of Review ("AOR") of the surface location of the Subject Well.

f. Based on the records from the New Mexico Office of the State Engineer, there is one freshwater well within one mile of the surface location of the Subject Well that has been plugged and not able to be sampled.

g. The source of produced water will be from production wells completed in the Abo, Yeso Group, Avalon Shale, Bone Spring, and Wolfcamp formations.

h. The analyses of produced water samples provided by Applicant showed the compatibility of the injection fluids with formation fluids in the proposed disposal interval.

i. Applicant proposes a commercial operation with an average and maximum injection rate of 15,000 barrels of water per day ("BWPD") and 20,000 BWPD respectively using a maximum surface injection pressure of 1,061 pounds per square inch.

j. The Applicant identified that there is no evidence of faults that would allow for communication between the underground source of drinking water (“USDW”) and Bell Canyon and Cherry Canyon injection zones.

k. The Applicant provided evidence of notification regarding this application to all “affected persons” within a one-half mile radius of the surface location of the Well and provided an affidavit of publication in a newspaper of general circulation in the county.

l. Clarified that the conductor casing would be cemented using a conventional cement job where cement is pumped down the inside of the casing and circulated into the annular space and back to surface.

m. Clarified that the sonic log will be used to analyze geo-mechanical properties of the injection formation and the upper confinement.

n. The use of diverter valve (“DV”) for completion of the intermediate and production casings was discussed. The Applicant stated that they will plan to use DV tools when cementing the intermediate and production casing strings but did not provide any specific information on possible depth or reasons for selecting depth.

o. Applicant clarified that an on-off tool will be installed along with landing nipples below the packer.

p. OCD Technical Examiner identified concerns with the proposed upper confining layer and stipulated requirement for additional unperforated section on top of Bell Canyon formation. The upper most perforation must be at least a minimum of 100 feet below the base of the Salado formation. Additionally, a cement bond log (“CBL”) will be required across the production casing.

q. It was clarified that there is no USDW beneath the proposed injection interval and that the Rustler formation is the deepest USDW in this area.

20. Select requested that the OCD continue this case to the February 26th hearing docket in order to provide time for submittal and review of the requested information.

21. Applicant provided information requested by the OCD Technical Examiner and was submitted on February 19, 2026. This includes the following subject matters:

a. An updated wellbore diagram was submitted showing the new perforated interval from 5,365 feet to 6,500 feet. This new perforated interval places the top perforation at least 100 feet below the base of the Salado formation.

b. The revised proposed maximum injection pressure due to the updated top perforation depth is 1,073 pounds per square inch.

c. The new proposed injection interval is characterized as a 1,135-foot-thick section of sandstones and siltstones with significant primary porosity and permeability.

d. An induced seismicity risk assessment that concluded that the potential for the Subject well to cause injection-induced seismicity is expected to be minimal.

CONCLUSIONS OF LAW

22. Applicant provided the information required by 19.15.26 NMAC and the Form C-108 for an application to inject produced water into a Class II UIC well.

23. Applicant complied with the notice requirements of 19.15.4 NMAC.

24. Applicant affirmed in a sworn statement by a qualified person that it examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the approved injection interval and any underground sources of drinking water.

25. Applicant is in compliance with 19.15.5.9 NMAC.

26. The proposed well construction provided in the application is protective of the USDW at the location of the Well.

27. The proposal for the Salado formation, even where the Castile formation is present, as the primary upper confining zone for injection in the Delaware Mountain Group is not sufficient and is not supported by the OCD. OCD requires additional separation between the injection interval and the base of the Salado or Castile formations by increasing this confining zone with either the inclusion of the thickness of the Lamar member (or Lamar Limestone) or a comparable section of the upper Bell Canyon formation with impermeable beds as determined by the results of CBL.

28. Having considered the evidence, approval of disposal in the Subject Well with specific conditions will enable Applicant to support existing production and future exploration in this area, thereby preventing waste while not impairing correlative rights and protecting fresh water or underground sources of drinking water.

ORDER

1. Select Water Solutions, LLC is hereby authorized by **UIC Permit SWD-2693** to utilize its Jackrabbit Fed SWD No. 1, located in Unit O of Section 28, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, for the disposal of UIC Class II fluids from their production operations into the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group.

2. Jurisdiction is retained by the OCD for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator

to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order; whereupon the OCD may, after notice and hearing or prior to notice and hearing in event of an emergency, terminate the disposal authority granted herein.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ALBERT C.S. CHANG
Division Director

Date: _____

AC/sjs

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

UIC CLASS II PERMIT SWD-2693

APPENDIX A – AUTHORIZED INJECTION

Permittee: Select Water Solutions, LLC

OGRID No.: 289068

Well name: Jackrabbit Fed SWD No. 1

Surface location: 566 feet from the South line and 1968 feet from the East line (Unit Letter O),
Section 28, Township 26 South, Range 35 East, NMPM, Lea County, New
Mexico Latitude/Longitude: 32.008525° N and 103.370206° W NAD83

Bottom hole location (if different): NA

Type of completion: Perforations

Type of injection: Commercial disposal of produced water

Injection fluid: UIC Class II fluids (produced water)

Injection interval: Bell Canyon and upper Cherry Canyon formations of the Delaware Mountain
Group

Injection interval thickness (feet): 5365 to 6500 (total interval: approximately 1135)

Confining layer(s): upper confining layer: below the base of the Lamar member; lower confining
layer: sequence of low porosity/low permeability beds in the lower Cherry
Canyon formation.

Prohibited injection interval(s): All formations or intervals not permitted including loss circulation
zones.

Liner, tubing, and packer set: fiberglass or equivalent lined, 5.5-inch tubing with a packer set within
100 feet of the uppermost perforation; no liner used for well
completion.

Maximum daily injection rate: 20,000 barrels of water

Maximum surface injection pressure: 1073 psi

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

UIC CLASS II PERMIT SWD-2693

Pursuant to the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, (“Act”) and its implementing regulations, 19.15.1 *et seq.* NMAC, (“Rules”) and the federal Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, the Oil Conservation Division (“OCD”) issues this Permit to Select Water Solutions, LLC (“Permittee”) to authorize the construction and operation of a well to inject produced water at the location and under the terms and conditions specified in this Permit and Appendix A.

I. GENERAL CONDITIONS

A. AUTHORIZATION

1. Scope of Permit. This Permit authorizes the injection of produced water into the well described on Appendix A (“Well”). Any injection not specifically authorized by this Permit is prohibited. Permittee shall be the “operator” of the Well as defined in 19.15.2.7(O)(5) NMAC.

a. Injection is limited to the approved injection interval described in Appendix A. Permittee shall not allow the movement of fluid containing any contaminant into an underground source of drinking water (“USDW”) if the presence of that contaminant may cause a violation of a Primary Drinking Water Regulation adopted pursuant to 40 CFR Part 142 or that may adversely affect the health of any person. [40 CFR 144.12(a)]

b. The wellhead injection pressure for the Well shall not exceed the value identified in Appendix A.

c. Permittee shall not commence to drill, convert, or recompleting the Well until receiving this approval and until OCD approves a Form C-101 Application for Permit to Drill (“APD”) pursuant to 19.15.14 NMAC or receives an approved federal Form 3160-3 APD for the Well. [40 CFR 144.11; 19.15.14.8 and 19.15.26.8 NMAC]

d. Permittee shall not commence injection into the Well until the Permittee complies with the conditions in Section I. C. of this Permit.

e. This Permit authorizes injection of any UIC Class II fluid or oil field waste defined in 19.15.2.7(E)(6) NMAC.

f. This Permit does not authorize injection for an enhanced oil recovery project as defined in 19.15.2.7(E)(2) NMAC.

2. Notice of Commencement. Permittee shall provide written notice on Form C-103 to OCD E-Permitting and notify OCD Engineering Bureau by email of the submittal no later than two (2) business days following the date on which injection commenced into the Well. [19.15.26.12(B) NMAC]

3. Termination. Unless terminated sooner, this Permit shall remain in effect for a term of twenty (20) years beginning on the date of issuance. Permittee may submit an application for a new permit prior to the expiration of this Permit. If Permittee submits an application for a new permit, then the terms and conditions of this Permit shall remain in effect until OCD denies the application or grants a new permit.

a. This Permit shall terminate one (1) year after the date of issuance if Permittee has not commenced injection into the Well, provided, however, that OCD may grant a single extension of no longer than one (1) year for good cause shown. Permittee shall submit a written request for an extension to OCD Engineering Bureau no later than thirty (30) days prior to the deadline for commencing injection.

b. One (1) year after the last date of reported injection into the Well, OCD shall consider the Well abandoned, the authority to inject pursuant to this Permit shall terminate automatically, and Permittee shall plug and abandon the Well as provided in Section I. E. of this Permit. Upon receipt of a written request by the Permittee no later than one year after the last date of reported injection into the Well, OCD may grant an extension for good cause. [19.15.26.12(C) NMAC]

B. DUTIES AND REQUIREMENTS

1. Duty to Comply with Permit. Permittee shall comply with the terms and conditions of this Permit. Any noncompliance with the terms and conditions of this Permit, or of any provision of the Act, Rules or an Order issued by OCD or the Oil Conservation Commission, shall constitute a violation of law and is grounds for an enforcement action, including revocation of this Permit and civil and criminal penalties. Compliance with this Permit does not relieve Permittee of the obligation to comply with any other applicable law, or to exercise due care for the protection of fresh water, public health and safety and the environment. The contents of the Application and Appendix A shall be enforceable terms and conditions of this Permit. [40 CFR 144.51(a); 19.15.5 NMAC]

2. Duty to Halt or Reduce Activity to Avoid Permit Violations. Permittee shall halt or reduce injection to avoid a violation of this Permit or other applicable law. It shall not be a defense in an enforcement action for Permittee to assert that it would have been necessary to halt or reduce injection in order to maintain compliance with this Permit. [40 CFR 144.51(c)]

3. Duty to Mitigate Adverse Effects. Permittee shall take all reasonable steps to minimize, mitigate and correct any waste or effect on correlative rights, public health, or the environment resulting from noncompliance with the terms and conditions of this Permit. [40 CFR 144.51(d)]

4. Duty to Operate and Maintain Well and Facilities. Permittee shall operate and maintain the Well and associated facilities in compliance with the terms and conditions of this Permit. [40 CFR 144.51(e)]

5. Duty to Provide Information. In addition to any other applicable requirement, Permittee shall provide to OCD by the date and on the terms specified by OCD any information which OCD requests for the purpose of determining whether Permittee is complying with the terms and conditions of this Permit. [40 CFR 144.51(h)]

6. Private Property. This Permit does not convey a property right or authorize an injury to any person or property, an invasion of private rights, or an infringement of state or local law or regulations. [40 CFR 144.51(g)]

7. Inspection and Entry. Permittee shall allow OCD's authorized representative(s) to enter upon the Permittee's premises where the Well is located and where records are kept for the purposes of this Permit at reasonable times and upon the presentation of credentials to:

- a. Inspect the Well and associated facilities;
- b. Have access to and copy any record required by this Permit;
- c. Observe any action, test, practice, sampling, measurement or operation of the Well and associated facilities; and
- d. Obtain a sample, measure, and monitor any fluid, material or parameter as necessary to determine compliance with the terms and conditions of this Permit. [40 CFR 144.51(i)]

8. Certification Requirement. Permittee shall sign and certify the truth and accuracy of all reports, records, and documents required by this Permit or requested by OCD. [40 CFR 144.51(k)]

9. Financial Assurance. Permittee shall provide and maintain financial assurance for the Well in the amount specified by OCD until the Well has been plugged and abandoned and the financial assurance has been released by OCD. [40 CFR 144.52; 19.15.8.12 NMAC]

C. PRIOR TO COMMENCING INJECTION

1. Construction Requirements.

- a. Permittee shall construct the Well as described in the Application, Appendix A and as required by the Special Conditions.

b. Permittee shall construct and operate the Well in a manner that ensures the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

2. Tests and Reports. Permittee shall complete the following actions prior to commencing injection in the Well.

a. Permittee shall obtain and comply with the terms and conditions of an approved APD prior to commencing drilling of the Well, or other OCD approval, as applicable, prior to converting or recompleting the Well. If the APD is approved by the OCD, the Well shall be subject to the construction, testing, and reporting requirements of 19.15.16 NMAC.

b. Permittee shall circulate to surface the cement for all casings. If cement does not circulate on any casing string, Permittee shall run a cement bond log ("CBL") to determine the top of cement, then notify the OCD Engineering Bureau and the appropriate OCD Inspection Supervisor and submit the CBL prior to continuing with any further cementing on the Well. If the cement did not tie back into next higher casing shoe, Permittee shall perform remedial cement action to bring the cement to a minimum of two hundred (200) feet above the next higher casing shoe.

c. If a liner is approved for the construction of the Well, Permittee shall run and submit to OCD E-Permitting and notify the OCD Engineering Bureau by email, a CBL for the liner to demonstrate placement cement and the cement bond with the tie-in for the casing string.

d. Permittee shall submit the mudlog, geophysical logs, and a summary of depths (picks) for the contacts of the formations demonstrating that only the permitted formation is open for injection. OCD may amend this Permit to specify the depth of the approved injection interval within the stratigraphic interval requested in the application. If Permittee detects a hydrocarbon show during the drilling of the Well, it shall notify OCD Engineering Bureau by email and obtain written approval prior to commencing injection into the Well.

e. Permittee shall obtain and submit on a Form C-103 a calculated or measured static bottom-hole pressure measurement representative of the completion in the approved injection interval.

f. Permittee shall conduct an initial mechanical integrity test ("MIT") on the Well in compliance with the terms and conditions of this Permit and 19.15.26 NMAC, and shall not commence injection into the Well until the results of the initial MIT have been approved by the appropriate OCD Inspection Supervisor. [19.15.26.11(A) NMAC]

g. OCD retains authority to require a wireline verification of the completion and packer setting depths in this Well. [19.15.26.11(A) NMAC]

D. OPERATION

1. Operation and Maintenance.

a. Permittee shall equip, operate, monitor and maintain the Well to facilitate periodic testing, assure mechanical integrity, and prevent significant leaks in the tubular goods and packing materials used and significant fluid movements through vertical channels adjacent to the well bore. [19.15.26.10(A) NMAC]

b. Permittee shall operate and maintain the Well and associated facilities in a manner that confines the injected fluid to the approved injection interval and prevents surface damage and pollution by leaks, breaks and spills. [19.15.26.10(B) NMAC]

c. OCD may authorize an increase in the maximum surface injection pressure upon a showing by the Permittee that such higher pressure will not result in the migration of the disposed fluid from the approved injection interval or induced seismicity. Such proper showing shall be demonstrated by sufficient evidence, including an acceptable step-rate test.

d. If OCD has reason to believe that operation of the Well may have caused or determined to be contributing to seismic activity, Permittee shall, upon OCD's written request:

i. Take immediate corrective action, which could include testing and evaluating of the injection interval and confining layers; suspending or reducing of the rate of injection or maximum surface injection pressure, or both; and providing increased monitoring of the Well's operation; and

ii. Submit a remedial work plan or an application to modify the Permit to implement the corrective action, plug back the injection interval, or incorporate another modification required by OCD.

OCD may approve the remedial work plan, modify the Permit or issue an emergency order or temporary cessation order as it deems necessary.

2. Pressure Limiting Device.

a. The Well shall be equipped with a pressure limiting device, which is in workable condition and can be tested for proper calibration at the well site,

that shall limit surface tubing pressure to the maximum surface injection pressure specified in Appendix A.

b. Permittee shall test the pressure limiting device and all gauges and other metering requirement to ensure their accuracy and proper function no less than every five (5) years.

3. Mechanical Integrity. Permittee shall conduct a MIT prior to commencing injection, at least every five (5) years after the date of the previous MIT, and whenever the tubing is removed or replaced, the packer is reset, mechanical integrity is lost, Permittee proposes to transfer the Well, or requested by OCD.

a. MITs shall be conducted in accordance with 19.15.26 NMAC.

b. Permittee shall submit a sundry notice on Form C-103 of intent to install or replace injection equipment or conduct a MIT no later than three (3) business days prior to the event.

c. Permittee shall report the result of a MIT no later than two (2) business days after the test.

d. Permittee shall cease injection and shut-in the Well no later than twenty-four (24) hours after discovery if:

i. The Well fails a MIT; or

ii. Permittee observes conditions at the Well that indicate the mechanical failure of tubing, casing, or packer.

e. Permittee shall take all necessary actions to address the effects resulting from the loss of mechanical integrity in accordance with 19.15.26.10 NMAC.

f. Permittee shall conduct a successful MIT pursuant to 19.15.26.11 NMAC, including written approval from OCD prior to recommencing injection and the requirements contained in Section I G.3.

4. Additional Tests. Permittee shall conduct any additional test requested by OCD, including but not limited to step-rate tests, tracer surveys, injection surveys, noise logs, temperature logs, and casing integrity logs [19.15.26.11(A)(3) NMAC]

5. Records.

a. Permittee shall retain a copy of each record required by this Permit for a period of at least five (5) years and shall furnish a copy to OCD upon request. [40 CFR 144.51(h)]

b. Permittee shall retain a record of each test, sample, measurement, and certification of accuracy and function collected for the Well, including:

- i. Date, location, and time of sample, measurement or calibration;
- ii. Person who conducted the sample event, -measurement or calibration;
- iii. Calibration of gauge or other equipment in accordance with the manufacturer's specifications;
- iv. Description of method and procedures;
- v. Description of handling and custody procedures; and
- vi. Result of the analysis.

E. PLUGGING AND ABANDONMENT

1. Upon the termination of this Permit, Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

2. If Permittee has received an extension pursuant to Section I. A. 3. b., Permittee shall apply for approved temporary abandonment pursuant to 19.15.25 NMAC.

3. If this Permit expires pursuant to 19.15.26.12 NMAC and OCD has not issued a new permit, then Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

4. Permittee's temporary abandonment of the Well shall not toll the abandonment of injection in accordance with 19.15.26.12(C) NMAC.

F. REPORTING

1. **Monthly Reports.** Permittee shall submit a report using Form C-115 using the OCD's web-based online application on or before the 15th day of the second month following the month of injection, or if such day falls on a weekend or holiday, the first workday following the 15th, with the number of days of operation, injection volume, and injection pressure. [19.15.26.13 NMAC; 19.15.7.24 NMAC]

2. **Corrections.** Permittee shall promptly disclose to OCD any incorrect information in the Application or any record required by this Permit and submit corrected information. [40 CFR 144.51(h)(8)]

G. CORRECTIVE ACTION

1. Releases. Permittee shall report any unauthorized release of injection fluid at the Well or associated facilities in accordance with 19.15.29 and 19.15.30 NMAC.

2. Failures and Noncompliance. Permittee shall report the following incidents to appropriate OCD Inspection Supervisor and OCD Engineering Bureau verbally and by e-mail no later than 24 hours after such incident:

a. Any mechanical integrity failures identified in Section I. D. 3. d;

b. The migration of injection fluid from the injection interval [19.15.26.10 NMAC]; or

c. A malfunction of the Well or associated facilities that may cause waste or affect the public health or environment, including: (a) monitoring or other information which indicates that a contaminant may affect a USDW; or (b) noncompliance or malfunction which may cause the migration of injection fluid into or between USDWs. [40 CFR 144.51(l)(6)]

3. Corrective Action. Permittee shall submit a written report describing the incident in Sections I.G.1 or I.G.2, including a corrective active plan, no later than five (5) calendar days after discovery of the incident. [40 CFR 144.51(l)(6)] For an unauthorized release, Permittee also shall comply with the site assessment, characterization and remediation requirements of 19.15.29 and 19.15.30 NMAC.

4. Restriction or Shut-In. OCD may restrict the injected volume and pressure or shut-in the Well if OCD determines that the Well has failed or may fail to confine the injected fluid to the approved injection interval or has caused induced seismicity until OCD determines that Permittee has identified and corrected the failure. [19.15.26.10(E) NMAC]

H. PERMIT CHANGES

1. Transfer. This Permit shall not be transferred without the prior written approval of OCD. Permittee shall file Form C-145 for a proposed transfer of the Well. OCD may require, as a condition of approving the transfer, that this Permit be amended to ensure compliance and consistency with applicable law. If the Well has not been spud prior to the transfer, the OCD may require that the new operator reapply and submit to the OCD a new Form C-108 prior to constructing and injecting into the well. [19.15.26.15 NMAC; 19.15.9.9 NMAC]

2. Insolvency. Permittee shall notify OCD Engineering Bureau of the commencement of a voluntary or involuntary proceeding in bankruptcy which names Permittee or an entity which operates the Well on behalf of Permittee as a debtor no later than ten (10) business days after the commencement of the proceeding.

3. **OCD Authority to Modify Permit and Issue Orders**

a. The OCD may amend, suspend, or revoke this Permit after notice and an opportunity for hearing if it determines that:

- i. The Permit contains a material mistake;
- ii. Permittee made an incorrect statement on which OCD relied to establish a term or condition of the Permit or grant this Permit;
- iii. this Permit must be amended to ensure compliance and consistency with applicable law, including a change to the financial assurance requirements;
- iv. The Well's operation may affect the water quality of fresh water;
- v. Injected fluid is escaping from the approved injection interval;
- vi. Injection may be caused or contributed to seismic activity:
or
- vii. Injection may cause or contribute to the waste of oil, gas or potash resources or affect correlative rights, public health, or the environment.

b. OCD retains jurisdiction to enter such orders as it deems necessary to prevent waste and to protect correlative rights, protect public health, and the environment.

c. OCD retains jurisdiction to review this Permit as necessary and no less than once every five (5) years, and may determine whether this Permit should be modified, revoked and reissued, or terminated. [40 CFR 144.36(a)]

4. Permittee Request to Modify Permit. Permittee may apply to modify the terms of this Permit.

a. **Minor Modifications.** OCD may make a minor modification to this Permit without notice and an opportunity for hearing for:

- i. Non-substantive changes such as correction of typographical errors;
- ii. Requirements for more frequent monitoring or reporting;

- iii. Changes to the Well construction requirements provided that any alteration shall comply with the conditions of the Permit and does not change the Area of Review considered in the application for the Permit;
- iv. Amendments to the plugging and abandonment plan;
- v. Changes in the types of fluids injected which are consistent with sources listed in the application for the Permit and do not change the classification of the Well;
- vi. Corrections of the actual injection interval if within the approved formation; or
- vii. Transfer of a Permit for a Well that has been spud. [40 CFR 144.41]

b. **Major Modifications.** OCD shall require notice and an opportunity for hearing for any modification that is not minor. For such modifications, Permittee shall submit Form C-108 and comply with the notice requirements of 19.15.26 NMAC.

II. SPECIAL CONDITIONS

Permittee shall comply with the following Special Conditions for UIC Class II disposal wells approved with injection intervals in the Delaware Mountain Group:

1. **Restrictions on Well Construction and Well Stimulation:** Subject to the results of the CBL, the location of the first (or top) perforation in the injection interval shall be:
 - a. below the base of the Lamar member (of the Bell Canyon formation); or
 - b. if the Lamar is not present, a minimum of 100 feet below the base of the Salado formation. If the CBL shows poor cement quality, the depth of the top perforation shall be increased to more than 100 feet to mitigate the potential for injected water to contact the Salado formation.

Any stimulation of the Well shall not use proppants or other materials during completion or subsequent workovers.

2. **Well Construction:** Applicant shall evaluate the use of diverter valve (“DV”) tools and external casing packers for the intermediate and production casing strings to facilitate improved cementing operations and final cement placement. OCD shall reserve the authority to require remedial cementing on any casing string shown to be poor in quality based on the results of well testing and logging.

3. **Formation Water and Hydrocarbon Testing:** The Permittee shall obtain a water sample of the injection interval for analysis of hydrocarbon content as well as general water chemistry (including major cations, major anions, and Total Dissolved Solids (“TDS”)). Analytical methods shall be from those methods approved by the United States Environmental Protection Agency and the analyses shall be conducted by a NELAP-accredited laboratory. In addition to the sampling event, the Permittee shall conduct a production test such as a swab test if the drilling of the Well indicates a show of hydrocarbon. Prior to commencing injection, the Permittee shall submit the laboratory results (entire laboratory report) and production test along with a written summary of sampling/testing procedures and observations using a Form C-103 Subsequent Report (General). *If the analysis of the sample is found to contain a TDS concentration of 10000 mg/L or less or if the production test indicates produceable quantity of hydrocarbons, the injection authority under this Permit shall be suspended ipso facto.*
4. **Additional Testing: Requirement for Initial Step-Rate Test:** Permittee shall prepare and submit a separate Form C-103 Notice of Intent for a step-rate test (“SRT”) to be completed prior to commencing injection. Injection shall commence only with the approval of a Form C-103 Subsequent Report that contains the results of the SRT.
5. **Additional Testing: CBL for Surface Casing and Geophysical Logging:** Permittee shall complete a CBL for the surface casing and provide the complete log to the OCD prior to commencing injection. A CBL shall be required across the production casing and for any intermediate casings which penetrate the Salado formation or Capitan formation. Permittee shall complete, at a minimum, a geophysical log suite described as a “quad combo” across zones stated in supplemental exhibit packet and submit the logs to the OCD. Permittee shall also run sonic log(s) to characterize the stress/fracture gradients for the upper and lower confining zones.
6. **Additional Reporting: Annual Injection Data Review:** In addition to the requirements under I. General Conditions, F. Reporting, 1. Monthly Reporting; Permittee shall compile, from the parameters continuously monitored by the operator, sufficient data for a twelve (12) month period to construct a Hall’s plot for the Well. This assessment shall be completed annually and submitted to the OCD using Form C-103 Subsequent Report. With the plot, Permittee shall note any result which may indicate anomalies in injection operation and permit restrictions.
7. **Additional Reporting: Bottomhole Pressure:** In addition to paragraph (e) of I.C.2 of this permit, Permittee shall obtain a static bottomhole pressure every two years after commencement of injection. This information shall be provided using a Form C-103 Subsequent Report no later than January 31 of the calendar year following the year in which the data was collected.
8. **Additional Reporting: Five-Year Well Performance Report:** Permittee shall submit a report to OCD every fifth year following the date injection commenced. The report shall

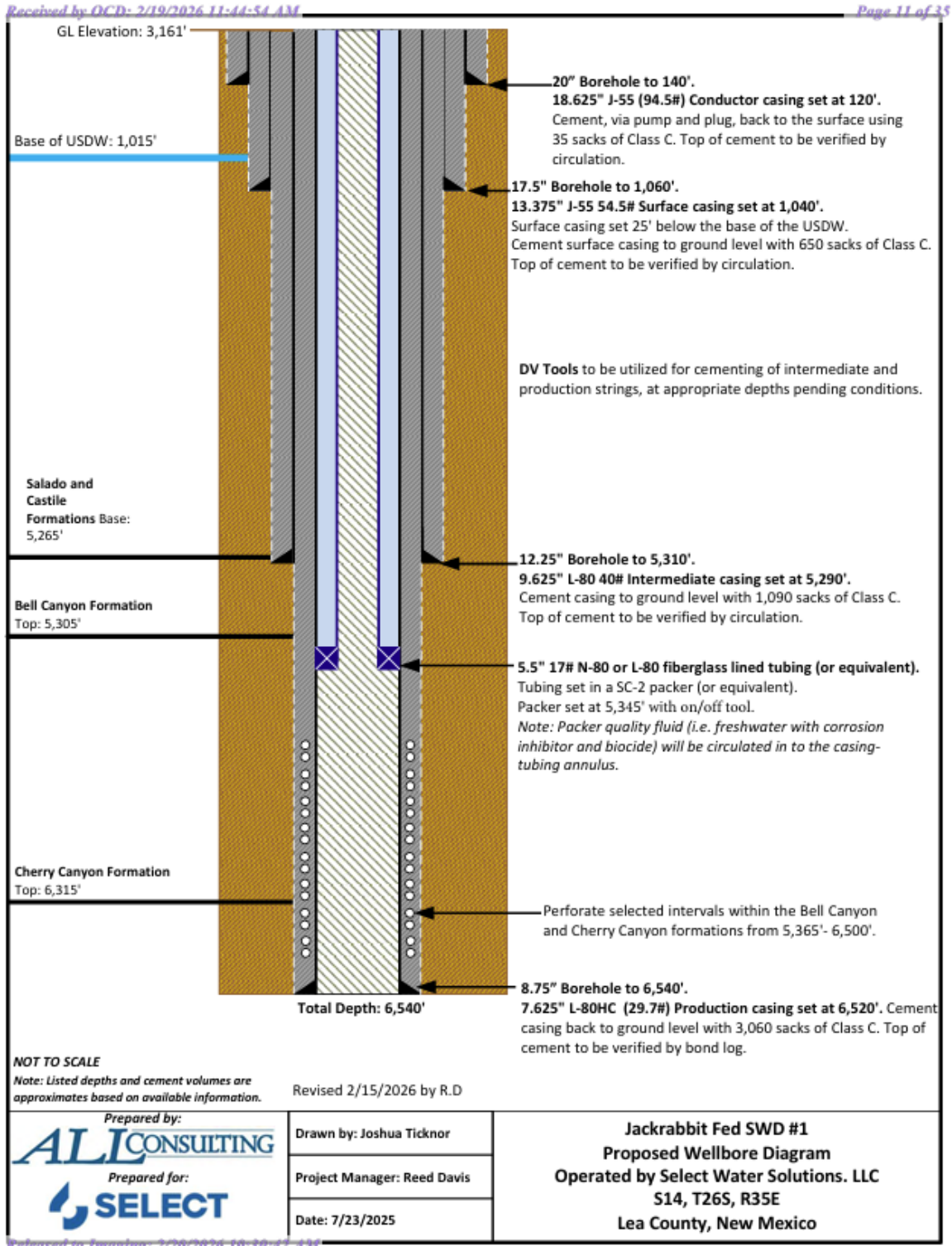
include a summary of a well performance based on injection volumes, injection pressure, and any additional data collected from the Well. This evaluation shall include a delineation of the injection pressure front and include the use of Hall's plot for each year of operation as detailed in Special Condition 6. Permittee and OCD shall coordinate regarding the information to be included in the five-year reports should there be changes in operation or injection performance. Permittee shall submit these reports to the OCD within sixty (60) days of the end date for the reporting period.

9. **Additional Monitoring: Seismic Monitoring Station:** Permittee shall make a recommendation to the OCD to establish a seismic monitoring station in proximity to the Well to be included in the public seismic monitoring array. Following approval of the OCD for a plan to establish a station, the Permittee shall contact the New Mexico Tech Seismological Observatory to obtain technical specifications of equipment to be installed and shall periodically transfer all unprocessed data to the public repository.
10. **Resolution of General Permit Conditions with Special Conditions:** If any conditions contained in the general Permit conflict with the conditions set by the OCD under II. Special Conditions, then the requirements of the Special Conditions shall supersede the condition found in the sections of the general Permit.

End of special conditions.

III. ATTACHMENT

Well Completion Diagram as Provided in the Supplemental Exhibit Package submitted February 19, 2026, for Case No. 25548.



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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**APPLICATION OF SELECT WATER SOLUTIONS,
LLC FOR APPROVAL OF A SALT WATER
DISPOSAL WELL, LEA COUNTY, NEW MEXICO.**

**CASE NO. 25900
ORDER NO. R-24435**

ORDER OF THE DIVISION

This case came in for hearing before the Oil Conservation Division (“OCD”) at 9:00 a.m. on February 5, 2026, in Santa Fe, New Mexico.

The OCD Director, having considered the testimony, the record, the recommendations of the Hearing Examiners, these findings of fact, and conclusions of law issues this Order.

FINDINGS

1. Due public notice has been given, and the OCD has jurisdiction of this case and the subject matter.
2. At hearing, Cases No. 25547, No. 25548, and No. 25900 were consolidated for the purpose of testimony; however, a separate hearing order shall be issued for each case.
3. In Case No. 25900, Select Water Solutions, LLC (“Applicant” or “Select”) seeks an order approving its proposed Roadrunner Fed 26 SWD No. 1 (“Subject Well”), located 2561 feet from the South line and 2086 feet from the East line (Unit J) of Section 26, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, as an Underground Injection Control (“UIC”) Class II well for disposal of produced water into the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group (“DMG”) through a perforated interval from 5,400 feet to 6,410 feet below surface.
4. On January 6, 2026, Applicant filed a Form C-108 application for an OCD hearing for approval of the Subject Well for disposal of produced water. Applicant did not previously submit this application for consideration through the administrative review process.

5. Pilot Water Solutions SWD, LLC (“Pilot”) entered an entry of appearance and notice of opposition to presentation by affidavit on January 28, 2026.
6. On February 2, 2026, Select filed a motion to strike the entry of appearance and objection filed by Pilot.
7. Desert Ram South Ranch, Inc. (“Desert Ram”) filed an entry of appearance notice of intervention and objection to proceedings by affidavit on February 3, 2026. Concurrently, Pilot filed a response to Select’s motion to strike and the request for limited additional time.
8. On February 3, 2026, Devon Energy Production Company, LP (“Devon”) filed an entry of appearance.
9. On February 4, 2026, the OCD Hearing Examiner issued an order granting Select’s motion to strike Pilot’s entry of appearance and objection in the case. On the same day, Select filed a motion to strike Desert Ram’s entry of appearance and notice of intervention and objection to hearing by affidavit.
10. Desert Ram filed a response in opposition to Select’s motion to strike and motion for limited evidentiary hearing on standing on February 4, 2026.
11. On February 5, 2026, the OCD Hearing Examiner issued an order granting Select’s motion to strike Desert Ram’s entry of appearance, notice of intervention, and objection to proceedings by affidavit. Following the issuance of order, Desert Ram immediately filed a motion for reconsideration of order granting Select’s motion to strike and renewed motion for limited evidentiary hearing on standing on February 5, 2026.
12. Pilot filed a motion for reconsideration of order granting Select’s motion to strike Pilot’s entry of appearance and objection, and request for leave to intervene under 19.15.4.11(C) NMAC on February 19, 2026.
13. Select filed a response in opposition to Pilot’s motion for reconsideration on February 24, 2026.
14. The OCD Hearing Examiner issued an order on February 25, 2026, denying the motion for reconsideration filed by Pilot.
15. On February 26, 2026, COG Operating, LLC (“COG”) filed an amended entry of appearance.
16. No other party filed an entry of appearance or appeared at hearing on February 5, 2026, in opposition to the application.
17. Select, through counsel, provided geologic and engineering exhibits and testimony at the hearing in support of the approval of the injection authority for the Subject Well.

a. Applicant proposed an injection interval within the Bell Canyon and Cherry Canyon formations with an upper confining layer composed of tight evaporites within the Salado and the Castile formations and a lower confining layer composed of low porosity and low permeability rocks within the Cherry Canyon formation.

b. The Subject Well will be constructed with the following casing strings: 18-5/8-inch conductor casing set at 120 feet; 13-3/8-inch surface casing set at 910 feet; 9-5/8-inch intermediate casing set at 5,080 feet; and 7-5/8-inch production casing set at 6,430 feet.

c. The Subject Well will inject through 5-1/2-inch fiberglass or equivalent lined tubing at a setting depth of 5,380 feet with a SC-2 retrievable packer or equivalent set at 5,380 feet.

d. The proposed injection interval was characterized as a 1,010-foot-thick section of sandstones and siltstones with significant primary porosity and permeability.

e. There are no wells identified within the one-half mile Area of Review ("AOR") of the surface location of the Subject Well.

f. Based on the records from the New Mexico Office of the State Engineer, there is one freshwater well within one mile of the surface location of the Subject Well.

g. The source of produced water will be from production wells completed in the Abo, Yeso Group, Avalon Shale, Bone Spring, and Wolfcamp formations.

h. The analyses of produced water samples provided by Applicant showed the compatibility of the injection fluids with formation fluids in the proposed disposal interval.

i. Applicant proposes a commercial operation with an average and maximum injection rate of 15,000 barrels of water per day ("BWPD") and 20,000 BWPD respectively using a maximum surface injection pressure of 1,080 pounds per square inch.

j. The Applicant identified that there is no evidence of faults that would allow for communication between the underground source of drinking water ("USDW") and Bell Canyon and Cherry Canyon injection zones.

k. The Applicant provided evidence of notification regarding this application to all "affected persons" within a one-half mile radius of the surface location of the Well and provided an affidavit of publication in a newspaper of general circulation in the county.

l. Clarified that the conductor casing would be cemented using a conventional cement job where cement is pumped down the inside of the casing and circulated into the annular space and back to surface.

m. Clarified that the sonic log will be used to analyze geo-mechanical properties of the injection formation and the upper confinement.

n. The use of diverter valve (“DV”) for completion of the intermediate and production casings was discussed. The Applicant stated that they will plan to use DV tools when cementing the intermediate and production casing strings but did not provide any specific information on possible depth or reasons for selecting depth.

o. Applicant clarified that an on-off tool will be installed along with landing nipples below the packer.

p. OCD Technical Examiner identified concerns with the proposed upper confining layer and stipulated requirement for additional unperforated section on top of Bell Canyon formation. The upper most perforation must be at least a minimum of 100 feet below the base of the Salado formation. Additionally, a cement bond log (“CBL”) will be required across the production casing.

q. It was clarified that there is no USDW beneath the proposed injection interval and that the Rustler formation is the deepest USDW in this area.

18. Select requested that the OCD continue this case to the February 26th hearing docket in order to provide time for submittal and review of the requested information.

19. Applicant provided information requested by the OCD Technical Examiner and was submitted on February 19, 2026. This includes the following subject matters:

a. An updated wellbore diagram was submitted.

b. An induced seismicity risk assessment that concluded that the potential for the Subject well to cause injection-induced seismicity is expected to be minimal.

CONCLUSIONS OF LAW

20. Applicant provided the information required by 19.15.26 NMAC and the Form C-108 for an application to inject produced water into a Class II UIC well.

21. Applicant complied with the notice requirements of 19.15.4 NMAC.

22. Applicant affirmed in a sworn statement by a qualified person that it examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the approved injection interval and any underground sources of drinking water.

23. Applicant is in compliance with 19.15.5.9 NMAC.

24. The proposed well construction provided in the application is protective of the USDW at the location of the Well.

25. The proposal for the Salado formation, even where the Castile formation is present, as the primary upper confining zone for injection in the Delaware Mountain Group is not sufficient and is not supported by the OCD. OCD requires additional separation between the injection interval and the base of the Salado or Castile formations by increasing this confining zone with either the inclusion of the thickness of the Lamar member (or Lamar Limestone) or a comparable section of the upper Bell Canyon formation with impermeable beds as determined by the results of CBL.

26. Having considered the evidence, approval of disposal in the Subject Well with specific conditions will enable Applicant to support existing production and future exploration in this area, thereby preventing waste while not impairing correlative rights and protecting fresh water or underground sources of drinking water.

ORDER

1. Select Water Solutions, LLC is hereby authorized by **UIC Permit SWD-2696** to utilize its Roadrunner Fed 26 SWD No. 1, located in Unit J of Section 26, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, for the disposal of UIC Class II fluids from their production operations into the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group.

2. Jurisdiction is retained by the OCD for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order; whereupon the OCD may, after notice and hearing or prior to notice and hearing in event of an emergency, terminate the disposal authority granted herein.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ALBERT C.S. CHANG
Division Director

Date: _____

AC/sjs

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

UIC CLASS II PERMIT SWD-2696

APPENDIX A – AUTHORIZED INJECTION

Permittee: Select Water Solutions, LLC

OGRID No.: 289068

Well name: Roadrunner Fed 26 SWD No. 1

Surface location: 2561 feet from the South line and 2086 feet from the East line (Unit Letter J),
Section 26, Township 26 South, Range 35 East, NMPM, Lea County, New
Mexico Latitude/Longitude: 32.014011° N and 103.336483° W NAD83

Bottom hole location (if different): NA

Type of completion: Perforations

Type of injection: Commercial disposal of produced water

Injection fluid: UIC Class II fluids (produced water)

Injection interval: Bell Canyon and upper Cherry Canyon formations of the Delaware Mountain
Group

Injection interval thickness (feet): 5400 to 6410 (total interval: approximately 1010)

Confining layer(s): upper confining layer: below the base of the Lamar member; lower confining
layer: sequence of low porosity/low permeability beds in the lower Cherry
Canyon formation.

Prohibited injection interval(s): All formations or intervals not permitted including loss circulation
zones.

Liner, tubing, and packer set: fiberglass or equivalent lined, 5.5-inch tubing with a packer set within
100 feet of the uppermost perforation; no liner used for well
completion.

Maximum daily injection rate: 20,000 barrels of water

Maximum surface injection pressure: 1080 psi

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

UIC CLASS II PERMIT SWD-2696

Pursuant to the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, (“Act”) and its implementing regulations, 19.15.1 *et seq.* NMAC, (“Rules”) and the federal Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, the Oil Conservation Division (“OCD”) issues this Permit to Select Water Solutions, LLC (“Permittee”) to authorize the construction and operation of a well to inject produced water at the location and under the terms and conditions specified in this Permit and Appendix A.

I. GENERAL CONDITIONS

A. AUTHORIZATION

1. Scope of Permit. This Permit authorizes the injection of produced water into the well described on Appendix A (“Well”). Any injection not specifically authorized by this Permit is prohibited. Permittee shall be the “operator” of the Well as defined in 19.15.2.7(O)(5) NMAC.

a. Injection is limited to the approved injection interval described in Appendix A. Permittee shall not allow the movement of fluid containing any contaminant into an underground source of drinking water (“USDW”) if the presence of that contaminant may cause a violation of a Primary Drinking Water Regulation adopted pursuant to 40 CFR Part 142 or that may adversely affect the health of any person. [40 CFR 144.12(a)]

b. The wellhead injection pressure for the Well shall not exceed the value identified in Appendix A.

c. Permittee shall not commence to drill, convert, or recompleting the Well until receiving this approval and until OCD approves a Form C-101 Application for Permit to Drill (“APD”) pursuant to 19.15.14 NMAC or receives an approved federal Form 3160-3 APD for the Well. [40 CFR 144.11; 19.15.14.8 and 19.15.26.8 NMAC]

d. Permittee shall not commence injection into the Well until the Permittee complies with the conditions in Section I. C. of this Permit.

e. This Permit authorizes injection of any UIC Class II fluid or oil field waste defined in 19.15.2.7(E)(6) NMAC.

f. This Permit does not authorize injection for an enhanced oil recovery project as defined in 19.15.2.7(E)(2) NMAC.

2. Notice of Commencement. Permittee shall provide written notice on Form C-103 to OCD E-Permitting and notify OCD Engineering Bureau by email of the submittal no later than two (2) business days following the date on which injection commenced into the Well. [19.15.26.12(B) NMAC]

3. Termination. Unless terminated sooner, this Permit shall remain in effect for a term of twenty (20) years beginning on the date of issuance. Permittee may submit an application for a new permit prior to the expiration of this Permit. If Permittee submits an application for a new permit, then the terms and conditions of this Permit shall remain in effect until OCD denies the application or grants a new permit.

a. This Permit shall terminate one (1) year after the date of issuance if Permittee has not commenced injection into the Well, provided, however, that OCD may grant a single extension of no longer than one (1) year for good cause shown. Permittee shall submit a written request for an extension to OCD Engineering Bureau no later than thirty (30) days prior to the deadline for commencing injection.

b. One (1) year after the last date of reported injection into the Well, OCD shall consider the Well abandoned, the authority to inject pursuant to this Permit shall terminate automatically, and Permittee shall plug and abandon the Well as provided in Section I. E. of this Permit. Upon receipt of a written request by the Permittee no later than one year after the last date of reported injection into the Well, OCD may grant an extension for good cause. [19.15.26.12(C) NMAC]

B. DUTIES AND REQUIREMENTS

1. Duty to Comply with Permit. Permittee shall comply with the terms and conditions of this Permit. Any noncompliance with the terms and conditions of this Permit, or of any provision of the Act, Rules or an Order issued by OCD or the Oil Conservation Commission, shall constitute a violation of law and is grounds for an enforcement action, including revocation of this Permit and civil and criminal penalties. Compliance with this Permit does not relieve Permittee of the obligation to comply with any other applicable law, or to exercise due care for the protection of fresh water, public health and safety and the environment. The contents of the Application and Appendix A shall be enforceable terms and conditions of this Permit. [40 CFR 144.51(a); 19.15.5 NMAC]

2. Duty to Halt or Reduce Activity to Avoid Permit Violations. Permittee shall halt or reduce injection to avoid a violation of this Permit or other applicable law. It shall not be a defense in an enforcement action for Permittee to assert that it would have been necessary to halt or reduce injection in order to maintain compliance with this Permit. [40 CFR 144.51(c)]

3. Duty to Mitigate Adverse Effects. Permittee shall take all reasonable steps to minimize, mitigate and correct any waste or effect on correlative rights, public health, or the environment resulting from noncompliance with the terms and conditions of this Permit. [40 CFR 144.51(d)]

4. Duty to Operate and Maintain Well and Facilities. Permittee shall operate and maintain the Well and associated facilities in compliance with the terms and conditions of this Permit. [40 CFR 144.51(e)]

5. Duty to Provide Information. In addition to any other applicable requirement, Permittee shall provide to OCD by the date and on the terms specified by OCD any information which OCD requests for the purpose of determining whether Permittee is complying with the terms and conditions of this Permit. [40 CFR 144.51(h)]

6. Private Property. This Permit does not convey a property right or authorize an injury to any person or property, an invasion of private rights, or an infringement of state or local law or regulations. [40 CFR 144.51(g)]

7. Inspection and Entry. Permittee shall allow OCD's authorized representative(s) to enter upon the Permittee's premises where the Well is located and where records are kept for the purposes of this Permit at reasonable times and upon the presentation of credentials to:

- a. Inspect the Well and associated facilities;
- b. Have access to and copy any record required by this Permit;
- c. Observe any action, test, practice, sampling, measurement or operation of the Well and associated facilities; and
- d. Obtain a sample, measure, and monitor any fluid, material or parameter as necessary to determine compliance with the terms and conditions of this Permit. [40 CFR 144.51(i)]

8. Certification Requirement. Permittee shall sign and certify the truth and accuracy of all reports, records, and documents required by this Permit or requested by OCD. [40 CFR 144.51(k)]

9. Financial Assurance. Permittee shall provide and maintain financial assurance for the Well in the amount specified by OCD until the Well has been plugged and abandoned and the financial assurance has been released by OCD. [40 CFR 144.52; 19.15.8.12 NMAC]

C. PRIOR TO COMMENCING INJECTION

1. Construction Requirements.

- a. Permittee shall construct the Well as described in the Application, Appendix A and as required by the Special Conditions.

b. Permittee shall construct and operate the Well in a manner that ensures the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

2. Tests and Reports. Permittee shall complete the following actions prior to commencing injection in the Well.

a. Permittee shall obtain and comply with the terms and conditions of an approved APD prior to commencing drilling of the Well, or other OCD approval, as applicable, prior to converting or recompleting the Well. If the APD is approved by the OCD, the Well shall be subject to the construction, testing, and reporting requirements of 19.15.16 NMAC.

b. Permittee shall circulate to surface the cement for all casings. If cement does not circulate on any casing string, Permittee shall run a cement bond log ("CBL") to determine the top of cement, then notify the OCD Engineering Bureau and the appropriate OCD Inspection Supervisor and submit the CBL prior to continuing with any further cementing on the Well. If the cement did not tie back into next higher casing shoe, Permittee shall perform remedial cement action to bring the cement to a minimum of two hundred (200) feet above the next higher casing shoe.

c. If a liner is approved for the construction of the Well, Permittee shall run and submit to OCD E-Permitting and notify the OCD Engineering Bureau by email, a CBL for the liner to demonstrate placement cement and the cement bond with the tie-in for the casing string.

d. Permittee shall submit the mudlog, geophysical logs, and a summary of depths (picks) for the contacts of the formations demonstrating that only the permitted formation is open for injection. OCD may amend this Permit to specify the depth of the approved injection interval within the stratigraphic interval requested in the application. If Permittee detects a hydrocarbon show during the drilling of the Well, it shall notify OCD Engineering Bureau by email and obtain written approval prior to commencing injection into the Well.

e. Permittee shall obtain and submit on a Form C-103 a calculated or measured static bottom-hole pressure measurement representative of the completion in the approved injection interval.

f. Permittee shall conduct an initial mechanical integrity test ("MIT") on the Well in compliance with the terms and conditions of this Permit and 19.15.26 NMAC, and shall not commence injection into the Well until the results of the initial MIT have been approved by the appropriate OCD Inspection Supervisor. [19.15.26.11(A) NMAC]

g. OCD retains authority to require a wireline verification of the completion and packer setting depths in this Well. [19.15.26.11(A) NMAC]

D. OPERATION

1. Operation and Maintenance.

a. Permittee shall equip, operate, monitor and maintain the Well to facilitate periodic testing, assure mechanical integrity, and prevent significant leaks in the tubular goods and packing materials used and significant fluid movements through vertical channels adjacent to the well bore. [19.15.26.10(A) NMAC]

b. Permittee shall operate and maintain the Well and associated facilities in a manner that confines the injected fluid to the approved injection interval and prevents surface damage and pollution by leaks, breaks and spills. [19.15.26.10(B) NMAC]

c. OCD may authorize an increase in the maximum surface injection pressure upon a showing by the Permittee that such higher pressure will not result in the migration of the disposed fluid from the approved injection interval or induced seismicity. Such proper showing shall be demonstrated by sufficient evidence, including an acceptable step-rate test.

d. If OCD has reason to believe that operation of the Well may have caused or determined to be contributing to seismic activity, Permittee shall, upon OCD's written request:

i. Take immediate corrective action, which could include testing and evaluating of the injection interval and confining layers; suspending or reducing of the rate of injection or maximum surface injection pressure, or both; and providing increased monitoring of the Well's operation; and

ii. Submit a remedial work plan or an application to modify the Permit to implement the corrective action, plug back the injection interval, or incorporate another modification required by OCD.

OCD may approve the remedial work plan, modify the Permit or issue an emergency order or temporary cessation order as it deems necessary.

2. Pressure Limiting Device.

a. The Well shall be equipped with a pressure limiting device, which is in workable condition and can be tested for proper calibration at the well site,

that shall limit surface tubing pressure to the maximum surface injection pressure specified in Appendix A.

b. Permittee shall test the pressure limiting device and all gauges and other metering requirement to ensure their accuracy and proper function no less than every five (5) years.

3. Mechanical Integrity. Permittee shall conduct a MIT prior to commencing injection, at least every five (5) years after the date of the previous MIT, and whenever the tubing is removed or replaced, the packer is reset, mechanical integrity is lost, Permittee proposes to transfer the Well, or requested by OCD.

a. MITs shall be conducted in accordance with 19.15.26 NMAC.

b. Permittee shall submit a sundry notice on Form C-103 of intent to install or replace injection equipment or conduct a MIT no later than three (3) business days prior to the event.

c. Permittee shall report the result of a MIT no later than two (2) business days after the test.

d. Permittee shall cease injection and shut-in the Well no later than twenty-four (24) hours after discovery if:

i. The Well fails a MIT; or

ii. Permittee observes conditions at the Well that indicate the mechanical failure of tubing, casing, or packer.

e. Permittee shall take all necessary actions to address the effects resulting from the loss of mechanical integrity in accordance with 19.15.26.10 NMAC.

f. Permittee shall conduct a successful MIT pursuant to 19.15.26.11 NMAC, including written approval from OCD prior to recommencing injection and the requirements contained in Section I G.3.

4. Additional Tests. Permittee shall conduct any additional test requested by OCD, including but not limited to step-rate tests, tracer surveys, injection surveys, noise logs, temperature logs, and casing integrity logs [19.15.26.11(A)(3) NMAC]

5. Records.

a. Permittee shall retain a copy of each record required by this Permit for a period of at least five (5) years and shall furnish a copy to OCD upon request. [40 CFR 144.51(h)]

b. Permittee shall retain a record of each test, sample, measurement, and certification of accuracy and function collected for the Well, including:

- i. Date, location, and time of sample, measurement or calibration;
- ii. Person who conducted the sample event, -measurement or calibration;
- iii. Calibration of gauge or other equipment in accordance with the manufacturer's specifications;
- iv. Description of method and procedures;
- v. Description of handling and custody procedures; and
- vi. Result of the analysis.

E. PLUGGING AND ABANDONMENT

1. Upon the termination of this Permit, Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

2. If Permittee has received an extension pursuant to Section I. A. 3. b., Permittee shall apply for approved temporary abandonment pursuant to 19.15.25 NMAC.

3. If this Permit expires pursuant to 19.15.26.12 NMAC and OCD has not issued a new permit, then Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.

4. Permittee's temporary abandonment of the Well shall not toll the abandonment of injection in accordance with 19.15.26.12(C) NMAC.

F. REPORTING

1. **Monthly Reports.** Permittee shall submit a report using Form C-115 using the OCD's web-based online application on or before the 15th day of the second month following the month of injection, or if such day falls on a weekend or holiday, the first workday following the 15th, with the number of days of operation, injection volume, and injection pressure. [19.15.26.13 NMAC; 19.15.7.24 NMAC]

2. **Corrections.** Permittee shall promptly disclose to OCD any incorrect information in the Application or any record required by this Permit and submit corrected information. [40 CFR 144.51(h)(8)]

G. CORRECTIVE ACTION

1. Releases. Permittee shall report any unauthorized release of injection fluid at the Well or associated facilities in accordance with 19.15.29 and 19.15.30 NMAC.

2. Failures and Noncompliance. Permittee shall report the following incidents to appropriate OCD Inspection Supervisor and OCD Engineering Bureau verbally and by e-mail no later than 24 hours after such incident:

a. Any mechanical integrity failures identified in Section I. D. 3. d;

b. The migration of injection fluid from the injection interval [19.15.26.10 NMAC]; or

c. A malfunction of the Well or associated facilities that may cause waste or affect the public health or environment, including: (a) monitoring or other information which indicates that a contaminant may affect a USDW; or (b) noncompliance or malfunction which may cause the migration of injection fluid into or between USDWs. [40 CFR 144.51(l)(6)]

3. Corrective Action. Permittee shall submit a written report describing the incident in Sections I.G.1 or I.G.2, including a corrective active plan, no later than five (5) calendar days after discovery of the incident. [40 CFR 144.51(l)(6)] For an unauthorized release, Permittee also shall comply with the site assessment, characterization and remediation requirements of 19.15.29 and 19.15.30 NMAC.

4. Restriction or Shut-In. OCD may restrict the injected volume and pressure or shut-in the Well if OCD determines that the Well has failed or may fail to confine the injected fluid to the approved injection interval or has caused induced seismicity until OCD determines that Permittee has identified and corrected the failure. [19.15.26.10(E) NMAC]

H. PERMIT CHANGES

1. Transfer. This Permit shall not be transferred without the prior written approval of OCD. Permittee shall file Form C-145 for a proposed transfer of the Well. OCD may require, as a condition of approving the transfer, that this Permit be amended to ensure compliance and consistency with applicable law. If the Well has not been spud prior to the transfer, the OCD may require that the new operator reapply and submit to the OCD a new Form C-108 prior to constructing and injecting into the well. [19.15.26.15 NMAC; 19.15.9.9 NMAC]

2. Insolvency. Permittee shall notify OCD Engineering Bureau of the commencement of a voluntary or involuntary proceeding in bankruptcy which names Permittee or an entity which operates the Well on behalf of Permittee as a debtor no later than ten (10) business days after the commencement of the proceeding.

3. **OCD Authority to Modify Permit and Issue Orders**

a. The OCD may amend, suspend, or revoke this Permit after notice and an opportunity for hearing if it determines that:

- i. The Permit contains a material mistake;
- ii. Permittee made an incorrect statement on which OCD relied to establish a term or condition of the Permit or grant this Permit;
- iii. this Permit must be amended to ensure compliance and consistency with applicable law, including a change to the financial assurance requirements;
- iv. The Well's operation may affect the water quality of fresh water;
- v. Injected fluid is escaping from the approved injection interval;
- vi. Injection may be caused or contributed to seismic activity:
or
- vii. Injection may cause or contribute to the waste of oil, gas or potash resources or affect correlative rights, public health, or the environment.

b. OCD retains jurisdiction to enter such orders as it deems necessary to prevent waste and to protect correlative rights, protect public health, and the environment.

c. OCD retains jurisdiction to review this Permit as necessary and no less than once every five (5) years, and may determine whether this Permit should be modified, revoked and reissued, or terminated. [40 CFR 144.36(a)]

4. Permittee Request to Modify Permit. Permittee may apply to modify the terms of this Permit.

a. **Minor Modifications.** OCD may make a minor modification to this Permit without notice and an opportunity for hearing for:

- i. Non-substantive changes such as correction of typographical errors;
- ii. Requirements for more frequent monitoring or reporting;

- iii. Changes to the Well construction requirements provided that any alteration shall comply with the conditions of the Permit and does not change the Area of Review considered in the application for the Permit;
- iv. Amendments to the plugging and abandonment plan;
- v. Changes in the types of fluids injected which are consistent with sources listed in the application for the Permit and do not change the classification of the Well;
- vi. Corrections of the actual injection interval if within the approved formation; or
- vii. Transfer of a Permit for a Well that has been spud. [40 CFR 144.41]

b. **Major Modifications.** OCD shall require notice and an opportunity for hearing for any modification that is not minor. For such modifications, Permittee shall submit Form C-108 and comply with the notice requirements of 19.15.26 NMAC.

II. SPECIAL CONDITIONS

Permittee shall comply with the following Special Conditions for UIC Class II disposal wells approved with injection intervals in the Delaware Mountain Group:

1. **Restrictions on Well Construction and Well Stimulation:** Subject to the results of the CBL, the location of the first (or top) perforation in the injection interval shall be:
 - a. below the base of the Lamar member (of the Bell Canyon formation); or
 - b. if the Lamar is not present, a minimum of 100 feet below the base of the Salado formation. If the CBL shows poor cement quality, the depth of the top perforation shall be increased to more than 100 feet to mitigate the potential for injected water to contact the Salado formation.

Any stimulation of the Well shall not use proppants or other materials during completion or subsequent workovers.

2. **Well Construction:** Applicant shall evaluate the use of diverter valve (“DV”) tools and external casing packers for the intermediate and production casing strings to facilitate improved cementing operations and final cement placement. OCD shall reserve the authority to require remedial cementing on any casing string shown to be poor in quality based on the results of well testing and logging.

3. **Formation Water and Hydrocarbon Testing:** The Permittee shall obtain a water sample of the injection interval for analysis of hydrocarbon content as well as general water chemistry (including major cations, major anions, and Total Dissolved Solids (“TDS”)). Analytical methods shall be from those methods approved by the United States Environmental Protection Agency and the analyses shall be conducted by a NELAP-accredited laboratory. In addition to the sampling event, the Permittee shall conduct a production test such as a swab test if the drilling of the Well indicates a show of hydrocarbon. Prior to commencing injection, the Permittee shall submit the laboratory results (entire laboratory report) and production test along with a written summary of sampling/testing procedures and observations using a Form C-103 Subsequent Report (General). *If the analysis of the sample is found to contain a TDS concentration of 10000 mg/L or less or if the production test indicates produceable quantity of hydrocarbons, the injection authority under this Permit shall be suspended ipso facto.*
4. **Additional Testing: Ground Water Well Identified in Form C-108:** Permittee shall complete sampling of well C 03795 POD1 using the same protocols for sampling described in Special Condition No. 3 and submit the results (entire laboratory report) to OCD using Form C-103. If Permittee is unable to sample the water well, the Permittee shall submit a statement describing the effort to sample and the reason(s) for the well not being sampled.
5. **Additional Testing: Requirement for Initial Step-Rate Test:** Permittee shall prepare and submit a separate Form C-103 Notice of Intent for a step-rate test (“SRT”) to be completed prior to commencing injection. Injection shall commence only with the approval of a Form C-103 Subsequent Report that contains the results of the SRT.
6. **Additional Testing: CBL for Surface Casing and Geophysical Logging:** Permittee shall complete a CBL for the surface casing and provide the complete log to the OCD prior to commencing injection. A CBL shall be required across the production casing and for any intermediate casings which penetrate the Salado formation or Capitan formation. Permittee shall complete, at a minimum, a geophysical log suite described as a “quad combo” across zones stated in supplemental exhibit packet and submit the logs to the OCD. Permittee shall also run sonic log(s) to characterize the stress/fracture gradients for the upper and lower confining zones.
7. **Additional Reporting: Annual Injection Data Review:** In addition to the requirements under I. General Conditions, F. Reporting, 1. Monthly Reporting; Permittee shall compile, from the parameters continuously monitored by the operator, sufficient data for a twelve (12) month period to construct a Hall’s plot for the Well. This assessment shall be completed annually and submitted to the OCD using Form C-103 Subsequent Report. With the plot, Permittee shall note any result which may indicate anomalies in injection operation and permit restrictions.
8. **Additional Reporting: Bottomhole Pressure:** In addition to paragraph (e) of I.C.2 of this permit, Permittee shall obtain a static bottomhole pressure every two years after

commencement of injection. This information shall be provided using a Form C-103 Subsequent Report no later than January 31 of the calendar year following the year in which the data was collected.

9. **Additional Reporting: Five-Year Well Performance Report:** Permittee shall submit a report to OCD every fifth year following the date injection commenced. The report shall include a summary of a well performance based on injection volumes, injection pressure, and any additional data collected from the Well. This evaluation shall include a delineation of the injection pressure front and include the use of Hall's plot for each year of operation as detailed in Special Condition 6. Permittee and OCD shall coordinate regarding the information to be included in the five-year reports should there be changes in operation or injection performance. Permittee shall submit these reports to the OCD within sixty (60) days of the end date for the reporting period.
10. **Additional Monitoring: Seismic Monitoring Station:** Permittee shall make a recommendation to the OCD to establish a seismic monitoring station in proximity to the Well to be included in the public seismic monitoring array. Following approval of the OCD for a plan to establish a station, the Permittee shall contact the New Mexico Tech Seismological Observatory to obtain technical specifications of equipment to be installed and shall periodically transfer all unprocessed data to the public repository.
11. **Resolution of General Permit Conditions with Special Conditions:** If any conditions contained in the general Permit conflict with the conditions set by the OCD under II. Special Conditions, then the requirements of the Special Conditions shall supersede the condition found in the sections of the general Permit.

End of special conditions.

III. ATTACHMENT

Well Completion Diagram as Provided in the Supplemental Exhibit Package submitted February 19, 2026, for Case No. 25900.

