



PRG 1912745491

[SWD-1815 to be cancelled]

May 3, 2019

New Mexico Oil Conservation Division
1220 S. St. Francis
Santa Fe, New Mexico 87504

Attn: Ms. Adrienne Sandoval, Director

Re: Amended Application of Solaris Water Midstream, LLC to permit for salt water disposal in the proposed John Wayne 26 Fed SWD #1 well to be located in Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico

Dear Ms. Sandoval:

The original application, dated 7/3/2018, stated that the surface location of the John Wayne 26 Fed SWD #1 well would be 2,413 FSL and 2,596' FWL in Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. This application was approved with Division Administrative Order SWD-1815, dated February 8, 2019. The amended location we are proposing would be 2,379' FSL and 2,582' FWL, in Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. This is a movement of the surface location approximately 33 feet to the southwest. There are no other changes to the original application.

[37 feet]

Enclosed is an amended form C-102 showing the correct footage calls for the surface location along with the correct plats and maps showing the revised location. This amendment is being made to satisfy concerns of the Bureau of Land Management. During the BLM on-site inspection of the proposed location, the BLM expressed concerns of a biological and/or archeological nature and decided that the surface location should be moved. Their concerns have been addressed and the amended surface location referred to above is the result.

This change in location will not affect any other part of the application. The new AOR does not include any wells that were not addressed originally. Further, no additional adjacent operators were identified after the move, so no additional notifications are required. All other attachments to the original C-108 have not changed. Solaris is not requesting any other changes to the division's Administrative Order SWD 1815.

If you or your staff have any questions or require additional information, please do not hesitate to contact me.

Best regards,

Drew Dixon
Solaris Water Midstream, LLC
Vice President, Land, Regulatory and Permitting

Cc: Bureau of Land Management, Oil and Gas Division, 620 E. Greene St., Carlsbad, NM 88220
Oil Conservation Division Office – Artesia, New Mexico

907 Tradewinds Blvd, Suite B, Midland, TX 79706
432.203.9020

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8181 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 97869	Pool Name SWD; Devonian
Property Code	Property Name JOHN WAYNE 26 SWD	Well Number 1
OGRID No.	Operator Name SOLARIS WATER MIDSTREAM	Elevation 2947

Surface Location

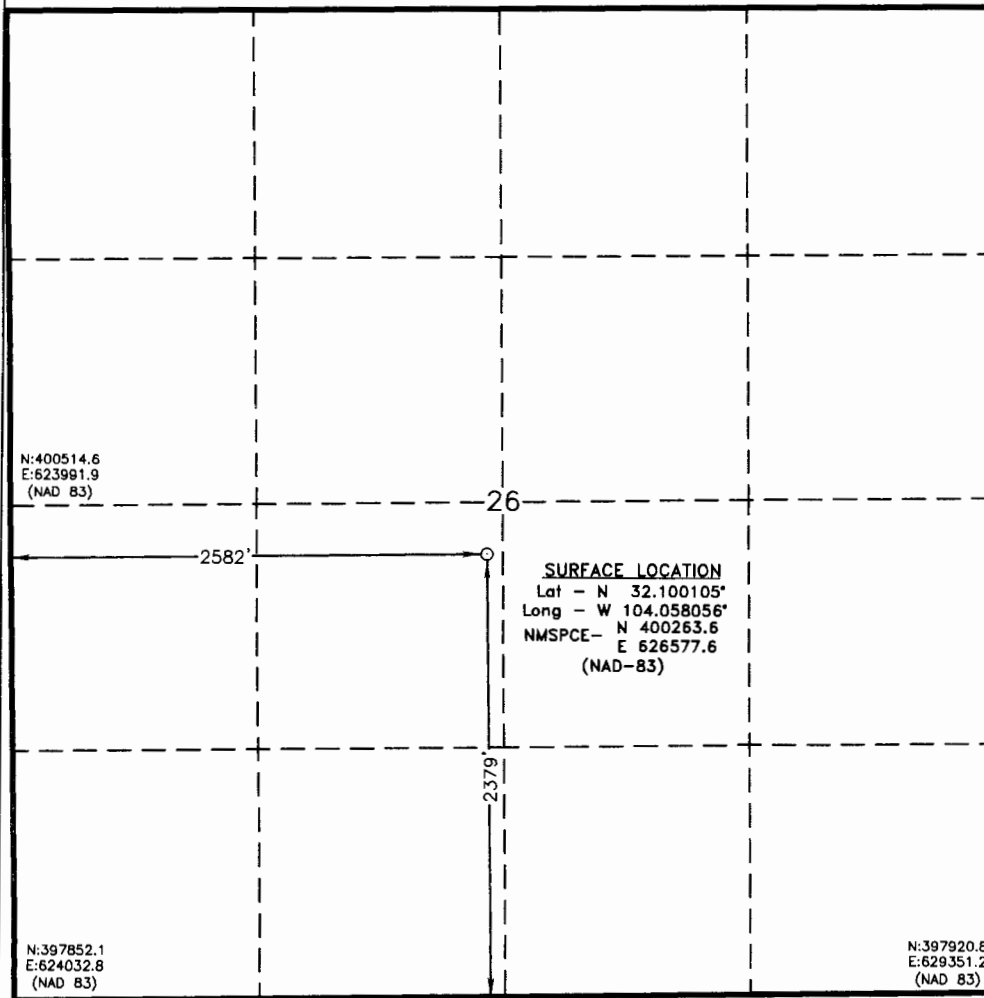
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	26	25 S	28 E		2379	SOUTH	2582	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Whitney McKee Date: 2/11/19

Printed Name

whitney.mckee@solarismidstream.com

Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 20, 2018

Date Surveyed

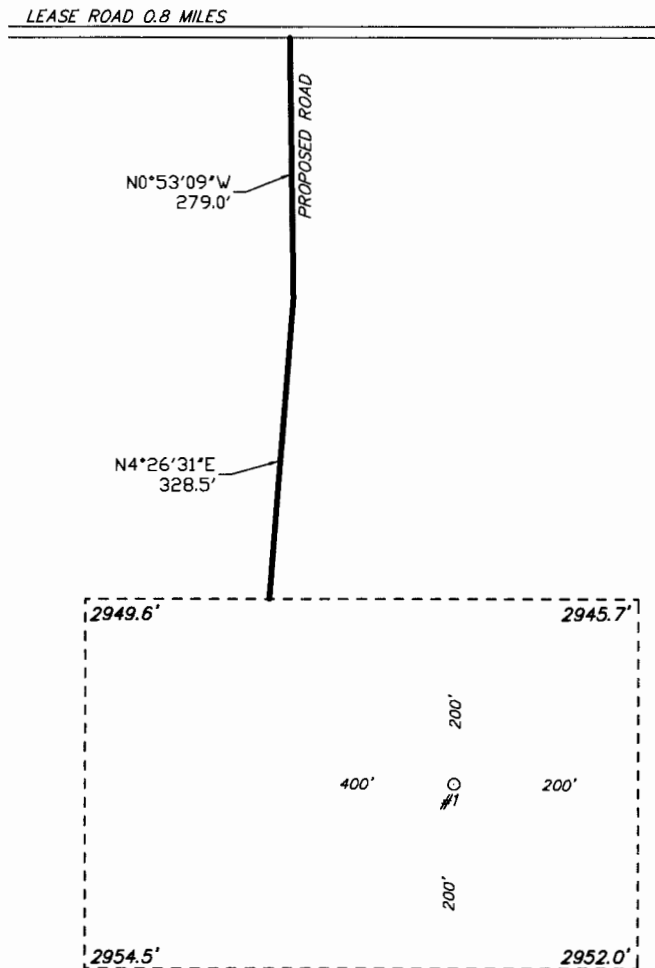
Signature of Professional Surveyor

Certificate No. 7977

Surveyor's Name

Scale: 1" = 1000'
WO Num.: 34141

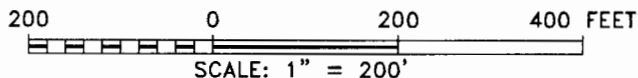
**SECTION 26 TOWNSHIP 25 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



JOHN WAYNE SWD 1
ELEV. - 2947'
Lat - N 32.100105°
Long - W 104.058056°
NMSPCE- N 400263.6
E 626577.6
(NAD-83)



MALAGA, NM IS ±8 MILES TO THE NORTH OF LOCATION.



SOLARIS WATER MIDSTREAM

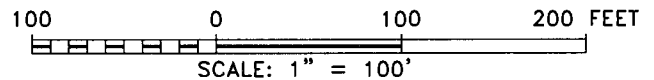
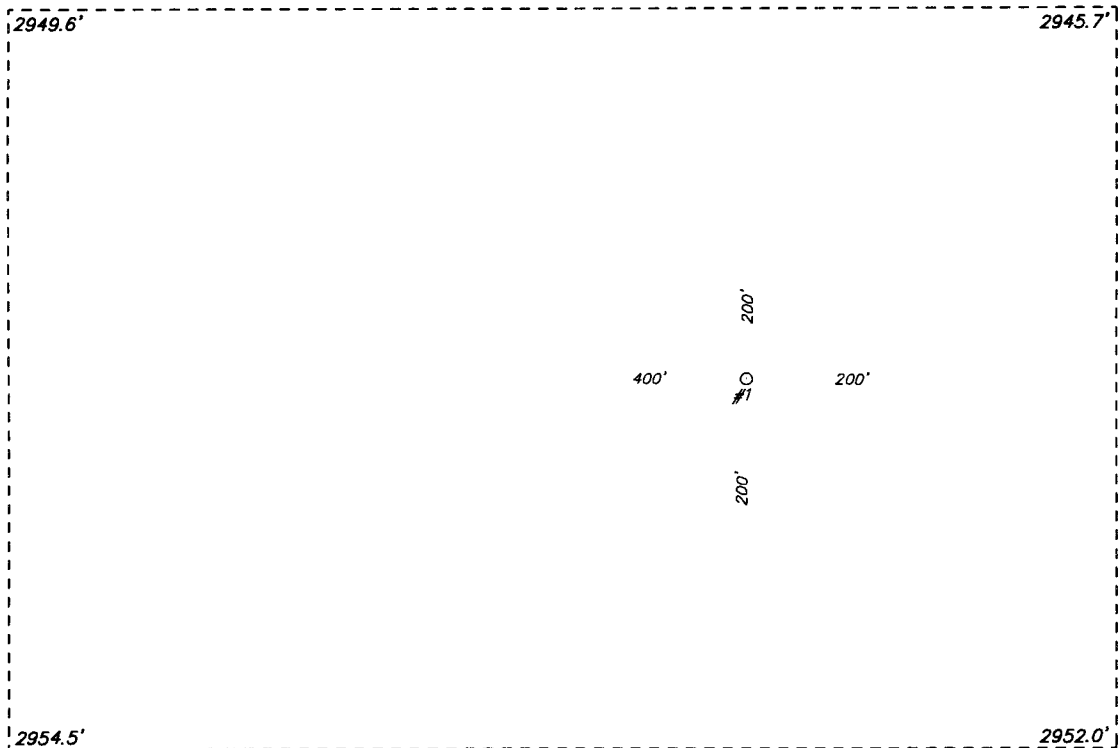
REF: JOHN WAYNE SWD 1 / WELL PAD TOPO

THE JOHN WAYNE SWD 1 LOCATED 2379' FROM
THE SOUTH LINE AND 2582' FROM THE WEST LINE OF
SECTION 26, TOWNSHIP 25 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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P.O. Box 1786 (575) 393-7316 - Office
1120 N. West County Rd. (575) 392-2206 - Fax
Hobbs, New Mexico 88241 basinsurveys.com

SECTION 26 TOWNSHIP 25 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



SOLARIS WATER MIDSTREAM

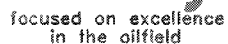
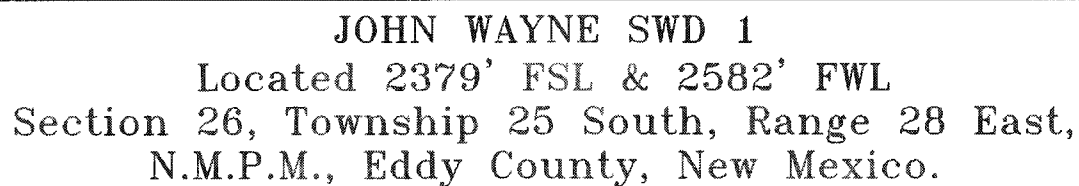
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W.O. Number: 34141	Drawn By: J GOAD	Date: 10-25-2018	Survey Date: 10-20-2018	Sheet 1 of 1 Sheets
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0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

W.O. Number: JG - 34141

Survey Date: 10-20-2018

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND





JOHN WAYNE SWD 1
 Located 2379' FSL & 2582' FWL
 Section 26, Township 25 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.



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 Hobbs, New Mexico 88241
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 (575) 392-2306 - Fax
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0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

W.O. Number: JC - 34141

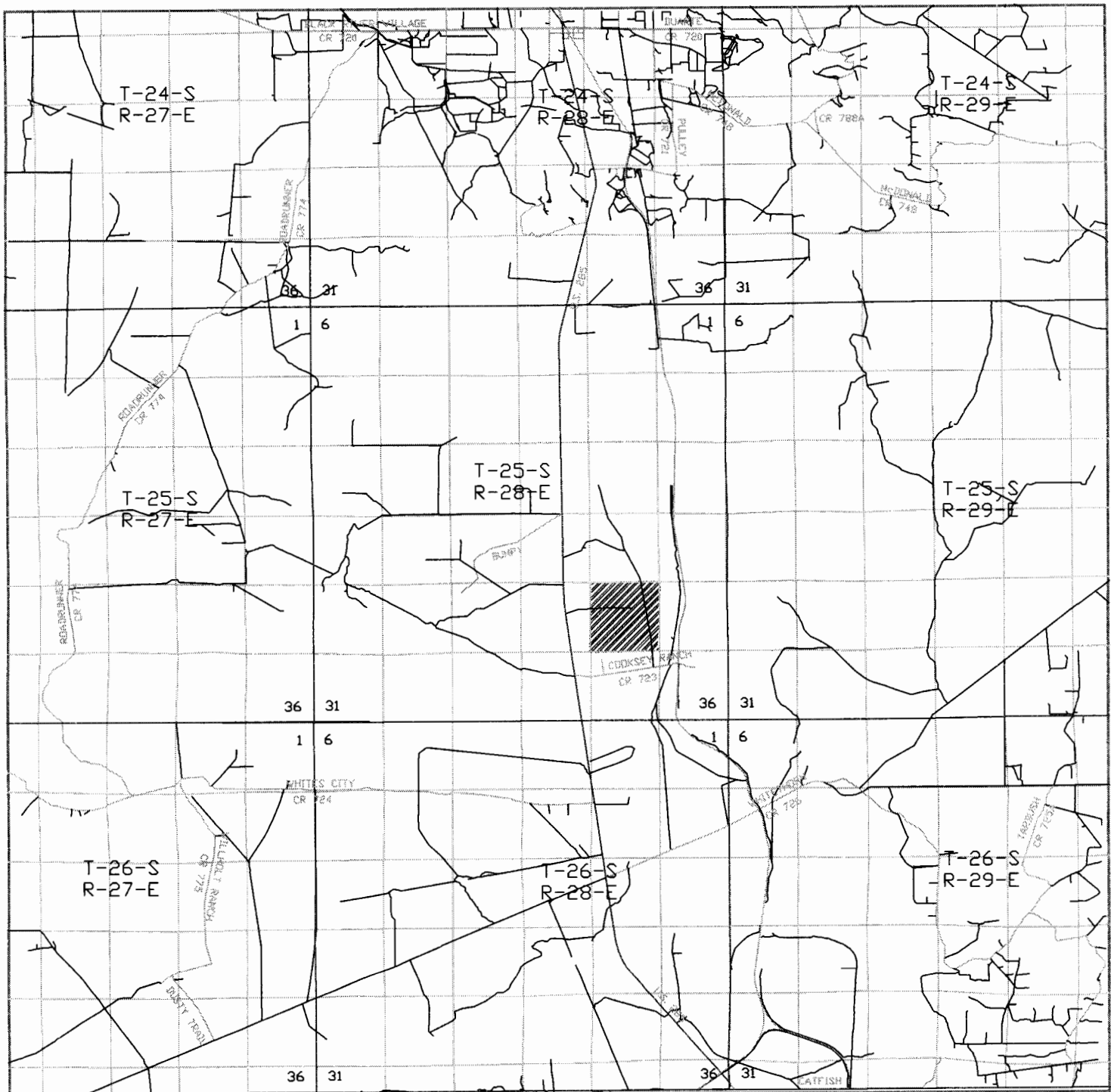
Survey Date: 10-20-2018

YELLOW TINT - USA LAND

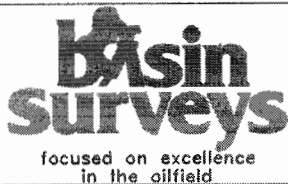
BLUE TINT - STATE LAND

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 N.M.P.M., Eddy County, New Mexico.



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0 1 MI 2 MI 3 MI 4 MI

SCALE: 1" = 2 MILES

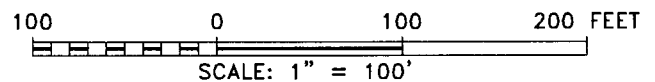
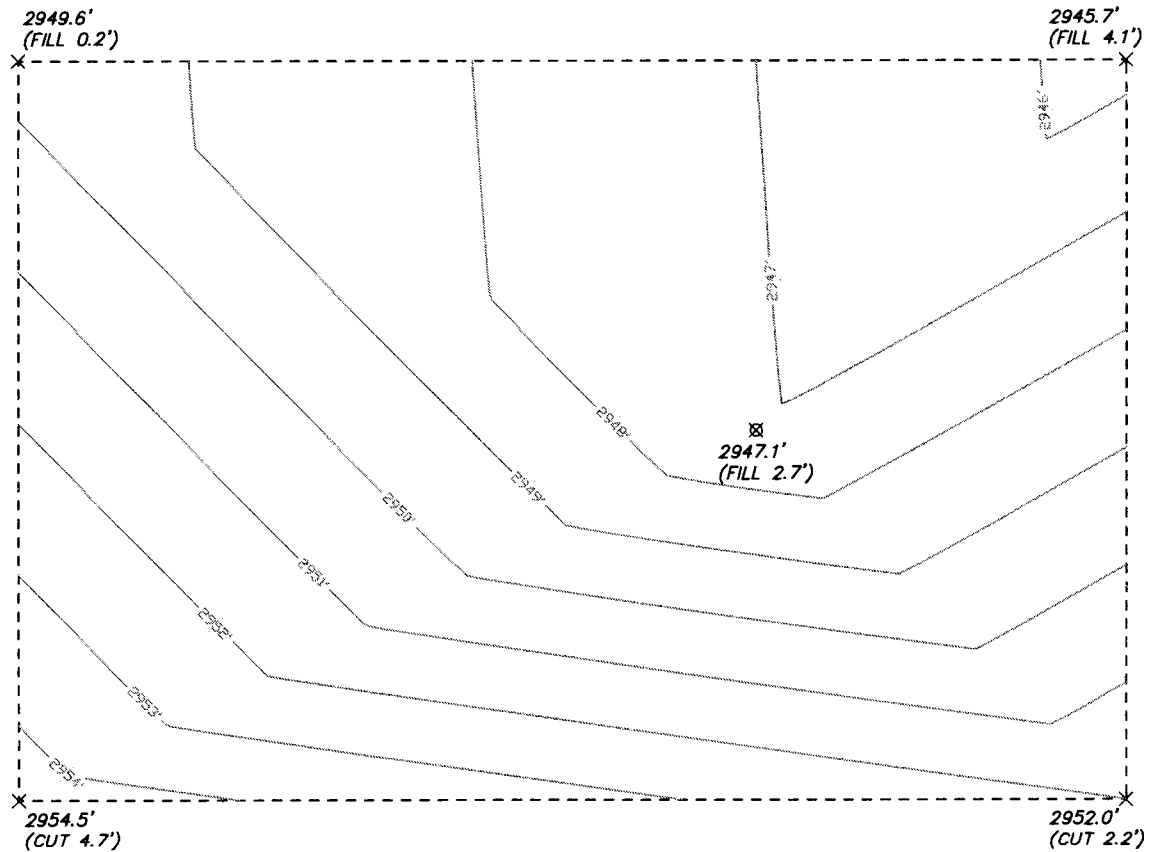
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Survey Date: 10-20-2018

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



**SECTION 26 TOWNSHIP 25 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



SOLARIS WATER MIDSTREAM

REF: JOHN WAYNE SWD 1 / CUT & FILL

THE JOHN WAYNE SWD 1 LOCATED 2379' FROM
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State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



Administrative Order SWD-1815
February 8, 2019

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Solaris Water Midstream, LLC (the "operator") seeks an administrative order for its John Wayne 26 SWD Well No. 1 (the "proposed well") with a location of 2413 feet from the South line and 2596 feet from the West line, Unit letter K of Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties have been notified. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC for a radius of one mile from the surface location of the proposed well and an expanded Area of Review for wells penetrating the disposal interval for a radius of one mile have been met. Further, the operator is in compliance with Division Rule 19.15.5.9 NMAC.

Application for Disposal in Devonian and Silurian Formations: Due to the potential for the projected injection volume of the proposed well to impact an area greater than the one-half mile radius applied in Division Form C-108 and Division rule, the applicant has provided the following supplementary information:

1. Notification following Division Rule 19.15.26.8(B) NMAC for a radius of one mile from the surface location of the proposed well; and
2. An expanded Area of Review for wells penetrating the disposal interval for a radius of one mile from the surface location of the proposed well.
3. A statement by a qualified person assessing the potential of induced-seismic events associated with the disposal activities for the predicted service life of the proposed well.

IT IS THEREFORE ORDERED THAT:

The applicant, Solaris Water Midstream, LLC (OGRID 371643), is hereby authorized to utilize its John Wayne 26 SWD Well No. 1 (API 30-015-Pending) with a location of 2413 feet

from the South line and 2596 feet from the West line, Unit letter K of Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through open-hole completion into an interval consisting of the Devonian and Silurian formations from approximately 14610 feet to approximately 15830 feet. Injection will occur through either an internally-coated, 5-¹/₂-inch or smaller tubing inside the surface and intermediate casings, and a 5-inch or smaller tubing inside the liner (39 pound or less). **Further, a packer shall be set within 100 feet of the disposal interval.** This permit does not allow disposal into:

1. The Woodford Shale and formations above the lower contact of the Woodford Shale;
2. Formations below the Devonian and Silurian formations including the Montoya formation and the Ellenburger formation (lower Ordovician); and
3. Any lost circulation intervals directly on top and obviously connected to these formations.

The operator shall provide to the Division's District a Notice of Intent on Division Form C-103 with the anticipated date and time for the well to be spud. This initial Notice shall be filed with the District at least 72 hours prior to commencing drilling.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District I office and the operator shall be required to receive written permission prior to commencing disposal.

If cement does not circulate on any casing string, the operator shall run a CBL or other log to determine top of cement and shall notify the Division's District II office with the top of cement on the emergency phone number prior to continuing with any further cement activity with the proposed well. If cement did not tie back in to next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe. Further, the operator is expected to run a CBL from the base of the 7-5/8-inch liner to 500 feet above the top of the liner to ensure good cement across the liner, and good cement across liner and intermediate casing

Prior to commencing disposal, the operator shall obtain a bottom-hole pressure measurement representative of the open-hole completion. This information shall be provided with the written notice of the date of commencement of disposal.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as described in the application and, if necessary, as modified by the District Supervisor.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

If the disposal well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Division Director shall require the well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Division Rule 19.15.26.10 NMAC, and the well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

The wellhead injection pressure on the well shall be limited to **no more than 2922 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable step-rate test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations that includes number of days of operation, injection volume, and injection pressure on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

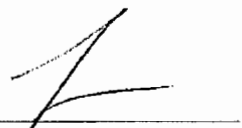
The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate one (1) year after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division 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 Division may, after notice and hearing, terminate the disposal authority granted herein.



Gabriel Wade
Acting Director

GW/mam

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management - Carlsbad
Administrative File – pMAM1819256368

