Rose-Coss, Dylan H, EMNRD

From: Nathan Alleman <nalleman@all-llc.com>
Sent: Monday, November 23, 2020 3:37 PM

To: Rose-Coss, Dylan H, EMNRD

Cc: Caden Jameson

Subject: [EXT] RE: FW: OCD SWD-2058_LilyStream Water Solutions LLC-Bounds SWD #1

Attachments: Lilystream - Bounds SWD #1 - Revised C-108 Well Data (Section III) 08052020.pdf; Bounds SWD 1

WBD 08052020.pdf

Follow Up Flag: Follow up Flag Status: Flagged

Dylan,

Lilystream asked ALL to support them in responding to your comments on the C-108 for their Bounds SWD #1. To respond to your comments, ALL performed a geologic review and made some changes to the proposed casing design. Below are responses to your comments and details on the specific changes made. The Revised C-108 components (Well Data Sheet and WBD) are attached.

- **Surface Casing Depth (No Change):** No Change. To address your questions, the top of the Rustler formation is expected to be at approximately 400' and we are proposing to set the surface casing 25' into the Rustler which will give us a surface casing setting depth of approximately 400'.
- 1st Intermediate Casing (No Change): The 1st intermediate casing remains at a depth of 1,800'.
- **2nd Intermediate Casing (Revised):** The 2nd intermediate string has been deepened from 8,720' to 9,370' to ensure that the entire Wolfcamp formation is isolated by this casing string.
- **Production Casing/Liner (Revised):** The Production Casing/Liner was deepened by approximately 200' to a depth of 12,620' based on ALL's geological analysis.
- Injection Interval (Revised): ALL's geological analysis indicated that the top of the Devonian formation was expected to be approximately 200' deeper than was stated in the original application. Based on this analysis, the top of the injection interval has been deepened by approximately 200', but the bottom of the injection Interval did not change. The revised injection interval is 12,620'-13,510'. Since the revised injection interval is within the bounds of the original injection interval, no additional notice should be required.
- Packer Type (Revised): The packer type was changed from a permanent Lokset packer to a retrievable Baker SC-2 packer.

Please let us know if you have any questions or need any additional information to continue this review.

Thank You!

Nate Alleman

ALL Consulting Office: 918-382-7581 Cell: 918-237-0559

From: Rose-Coss, Dylan H, EMNRD < DylanH.Rose-Coss@state.nm.us>

Sent: Monday, June 29, 2020 11:35 AM

To: Joel Lowry < joel@lowryenvironmental.com>

Cc: Garcia, John A, EMNRD < John A. Garcia@state.nm.us >

Subject: OCD SWD-2058_LilyStream Water Solutions LLC-Bounds SWD #1

Mr. Lowry,

The OCD has performed a technical review of LillyStream Water Solution's-Bounds SWD #1 (SWD-2058, pMAM1911542778). In order to complete the review, the Division will need additional information: would Lowry Environmental or, Lillystream Water Solutions please provide the expected wellbore stratigraphy from the surface through the first casing string and into the salt section.

The proposed wellbore schematic indicates that the proposed surface casing setting depth is 400 ft bgs. What formation is anticipated at that depth? It is the Division's preference to have the surface casing set at least 25 ft into the Rustler formation. If the Rustler is not present, please provide an estimate for the top of the salt section, or some additional stratigraphic information from above the base of the salt.

Thanks, and feel free to call if you have additional questions or need clarification.

Hope you are well,

Dylan Rose-Coss

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