

Additional Information

2nd Extension Request 3/29/21



ConocoPhillips
600 W. Illinois Ave.
Midland, TX 79701
www.conocophillips.com

March 29, 2021

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

Attn: Ms. Adrienne Sandoval, Director

Re: Request for Extension of Injection Permit – Salt Cedar 16 State SWD #1
Administrative Order SWD-1807
Located: Unit G, Sec 16, T26S, R28E, NMPM, Eddy County, New Mexico
Order Date: March 27, 2019

Dear Ms. Sandoval:

COG Operating LLC hereby requests approval from the Division for a one (1) year extension from the deadline stipulated in Order SWD-1807 to commence injection on the Salt Cedar 16 State SWD #1 well.

According to the GIS on the NMOCD website the AOR for the above referenced well has not changed.

I have enclosed a copy of the approved permit for your convenience. If you or your staff have any questions or require additional information, please do not hesitate to contact me at robyn.m.russell@conocophillips.com or (432) 685-4385.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robyn M. Russell", written over a light blue circular stamp.

Robyn M. Russell
COG Operating LLC / ConocoPhillips
Regulatory Compliance Lead



March 26, 2021

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

Attn: Ms. Adrienne Sandoval, Director

Re: Request for Extension of COG Operating, LLC Injection Permit-Salt Cedar 16 State SWD #1
Administrative Order SWD-1807
Located: Unit G, Sec 16, T26S, R28E, NMPM, Eddy County, New Mexico
Order Date: March 27, 2019

Dear Ms. Sandoval:

COG Operating, LLC hereby requests approval from the Division for a one (1) year extension from the deadline stipulated in Order SWD-1807 to commence injection on the Salt Cedar 16 State SWD #1 well.

According to the GIS on the NMOCD website the AOR for the above referenced well has not changed.

I have enclosed a copy of the approved permit for your convenience. If you or your staff have any questions or require additional information, please do not hesitate to contact me at whitney.mckee@solariswater.com or 432-203-9020, Agent for COG Operating, LLC.

Best regards,

A handwritten signature in blue ink, appearing to read "Whitney McKee", is written over a horizontal line.

Whitney McKee
Solaris Water Midstream, LLC
Regulatory Specialist



March 5, 2020

New Mexico Oil Conservation Division
Attn: Phillip Goetze
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Request for Extension of Approval For Authorization To Inject Admin Order SWD-1807
Salt Cedar 16 State SWD #1
1850' FNL, 2185' FEL
Unit G, Section 16, Township 26 South, Range 28 East, N.M.P.M.
Eddy County, New Mexico

Dear Mr. Goetze:

COG Operating LLC respectfully requests administrative approval for a one year extension of the C108 authorization to inject for the referenced well. Attached is a copy of Administrative Order SWD-1807 dated March 27, 2019.

We are waiting for the NMSLO to approve the SWD easement and can't put the well on our drilling schedule until the SWD easement has been approved. The SWD easement was submitted to the NMSLO on April 15, 2019.

This request letter will be sent to you by email and registered mail. Please do not hesitate to contact me at (575) 748-6940 should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Collins".

Brian Collins
Facilities Engineering Advisor

BC/mv
Enclosures

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
P 432.683.7443 | F 432.683.7441

ARTESIA WEST OFFICE

2208 Main Street | Artesia, New Mexico 88210
P 575.748.6940 | F 575.746.2096

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



Administrative Order SWD-1807
March 27, 2019

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, COG Operating, LLC (the "operator") seeks an administrative order for its Salt Cedar 16 State SWD Well No. 1 (the "proposed well") with a location of 1850 feet from the North line and 2185 feet from the East line, Unit letter G of Section 16, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico, for the purpose of produced water disposal.

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 and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and 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;
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; and
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, COG Operating, LLC (OGRID 229137), is hereby authorized to utilize its Salt Cedar 16 State SWD Well No. 1 (API 30-015-Pending) with a location of 1850 feet from the North line and 2185 feet from the East line, Unit letter G of Section 16, Township 26 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 14490 feet to approximately 16000 feet. Injection will occur through internally-coated, 5-inch or smaller tubing within the 7½-inch liner and a packer set within 100 feet of the top 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 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.

A mudlog is not required for the completion of the proposed well, but the operator shall run a suite of geophysical logs sufficient to characterize the current porosity and permeability of the injection interval. Prior to commencing disposal, the operator shall submit the geophysical logs information, to the Division's District geologist and Santa Fe Engineering Bureau, 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 cement does not circulate on any casing string, the operator shall run a cement bond log (CBL) or other log to determine top of cement and shall notify the Artesia District 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 action to bring cement, at a minimum, 200 feet above the next higher casing shoe.

The operator shall run a CBL (or equivalent) for the 7½-inch liner to demonstrate placement cement and the cement bond with the tie-in with 10¾-inch intermediate casing string. The operator shall provide a copy of the CBL to the Division's District II prior to commencing disposal.

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.

The operator shall be required annually to inspect and document the conditions of the surface location for the plugged SRO SWD No. 102 (API No. 30-015-21398). The inspection, at a minimum, shall evaluate for evidence of surface disturbance (such as fracturing or subsidence) or release of fluid at surface. Should there be indications of either surface disturbance or fluid release, the operator shall be required to provide written notice to the Division's District II and submit to the Division's District II for review and approval, a plan for investigation which shall include excavation of the abandoned wellhead for inspection.

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.

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 2898 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.

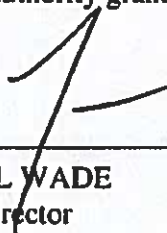
The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

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/prg

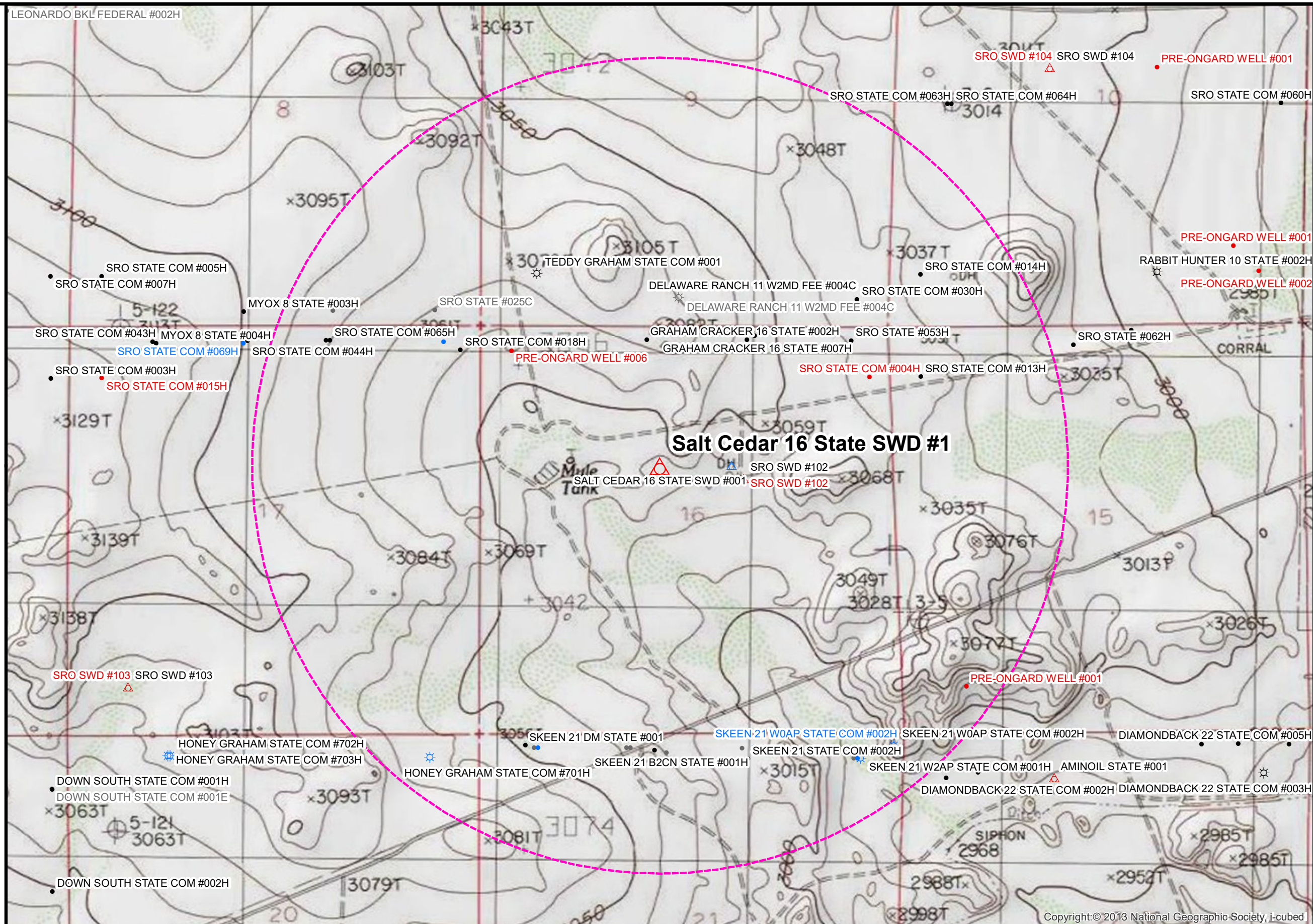
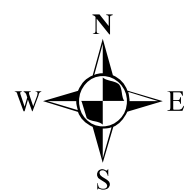
cc: State Land Office – Oil, Gas and Minerals Division
Oil Conservation Division – Artesia District Office

Attachment: C-108 well completion diagram

 1.0 Mile Radius

NM Wells

- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- ☀ Gas, Active
- ☀ Gas, Cancelled
- ☀ Gas, New
- ☀ Gas, Plugged
- ⦿ Injection, Active
- ⦿ Injection, Cancelled
- ⦿ Injection, New
- ⦿ Injection, Plugged
- ⚠ Salt Water Disposal, Active
- ⚠ Salt Water Disposal, Cancelled
- ⚠ Salt Water Disposal, New
- ⚠ Salt Water Disposal, Plugged



Vicinity Wells

Solaris Water Midstream - SALT CEDAR 16 STATE SWD 1 - Eddy County NM

Date: 3/26/2021

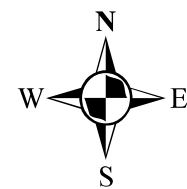
Table 1
NM Wells Within 1 Mile

API	Well Name	Well Type	Well Status	ogrid	ogrid_name	ULSTR	Measured Depth	Vertical Depth
30-015-37802	SKEEN 21 STATE #001H	Oil	Cancelled	147179	CHESAPEAKE OPERATING, INC.	C-21-26S-28E	0	0
30-015-21398	SRO SWD #102	Salt Water Disposal	Plugged	229137	COG OPERATING LLC	G-16-26S-28E	15400	15400
30-015-45826	SALT CEDAR 16 STATE SWD #001	Salt Water Disposal	New	229137	COG OPERATING LLC	G-16-26S-28E	0	0
30-015-41633	GRAHAM CRACKER 16 STATE #003H	Oil	Active	229137	COG OPERATING LLC	B-16-26S-28E	12520	12520
30-015-42332	GRAHAM CRACKER 16 STATE #007H	Oil	Active	229137	COG OPERATING LLC	B-16-26S-28E	13737	0
30-015-44196	SRO STATE COM #030H	Oil	Active	229137	COG OPERATING LLC	P-09-26S-28E	17905	8129
30-015-37424	SRO STATE COM #004H	Oil	Plugged	229137	COG OPERATING LLC	A-16-26S-28E	11379	6617
30-015-37427	SRO STATE COM #013H	Oil	Active	229137	COG OPERATING LLC	D-15-26S-28E	11120	11120
30-015-37426	SRO STATE COM #014H	Oil	Active	229137	COG OPERATING LLC	M-10-26S-28E	11145	6845
30-015-41532	SRO STATE #053H	Oil	Active	229137	COG OPERATING LLC	A-16-26S-28E	12667	9
30-015-02527	PRE-ONGARD WELL #001	Oil	Plugged	214263	PRE-ONGARD WELL OPERATOR	M-15-26S-28E	0	0
30-015-43247	SKEEN 21 B2BO STATE COM #001C	Oil	Cancelled	14744	MEWBOURNE OIL CO	B-21-26S-28E	0	0
30-015-42853	SKEEN 21 D3BO STATE COM #002C	Oil	Cancelled	14744	MEWBOURNE OIL CO	B-21-26S-28E	0	0
30-015-39773	SKEEN 21 STATE COM #002H	Oil	Active	14744	MEWBOURNE OIL CO	B-21-26S-28E	11235	6816
30-015-44552	SKEEN 21 W2AP STATE COM #001H	Gas	New	14744	MEWBOURNE OIL CO	A-21-26S-28E	0	0
30-015-39555	DELAWARE RANCH 11 W2MD FEE #	Gas	Cancelled	14744	MEWBOURNE OIL CO	M-11-26S-28E	0	0
30-015-42856	SKEEN 21 D3AP STATE COM #002C	Oil	Cancelled	14744	MEWBOURNE OIL CO	A-21-26S-28E	0	0
30-015-42811	SKEEN 21 D3BO STATE COM #003H	Oil	New	14744	MEWBOURNE OIL CO	B-21-26S-28E	0	0
30-015-42810	SKEEN 21 B3AP STATE COM #001H	Oil	New	14744	MEWBOURNE OIL CO	A-21-26S-28E	0	0
30-015-43246	SKEEN 21 B2AP STATE COM #001C	Oil	Cancelled	14744	MEWBOURNE OIL CO	A-21-26S-28E	0	0
30-015-44553	SKEEN 21 W0AP STATE COM #002H	Gas	New	14744	MEWBOURNE OIL CO	A-21-26S-28E	0	0
30-015-41143	SRO STATE COM #045H	Oil	Active	229137	COG OPERATING LLC	B-17-26S-28E	17774	0
30-015-42129	SRO STATE COM #065H	Oil	Active	229137	COG OPERATING LLC	B-17-26S-28E	18963	9129
30-015-41932	SRO STATE #025C	Oil	Cancelled	229137	COG OPERATING LLC	P-08-26S-28E	0	0
30-015-02528	PRE-ONGARD WELL #006	Oil	Plugged	214263	PRE-ONGARD WELL OPERATOR	D-16-26S-28E	0	0
30-015-41933	SRO STATE #026C	Oil	Cancelled	229137	COG OPERATING LLC	O-08-26S-28E	0	0
30-015-43092	SRO STATE COM #068H	Oil	New	229137	COG OPERATING LLC	A-17-26S-28E	0	0
30-015-43005	GRAHAM CRACKER 16 STATE #009H	Oil	Active	229137	COG OPERATING LLC	D-16-26S-28E	13611	9159
30-015-41935	GRAHAM CRACKER 16 STATE #001H	Oil	Active	229137	COG OPERATING LLC	D-16-26S-28E	12477	0
30-015-46381	HONEY GRAHAM STATE COM #701H	Gas	New	229137	COG OPERATING LLC	A-20-26S-28E	0	0
30-015-39999	SRO STATE COM #018H	Oil	Active	229137	COG OPERATING LLC	A-17-26S-28E	17753	8151
30-015-36460	TEDDY GRAHAM STATE COM #001	Gas	Active	229137	COG OPERATING LLC	M-09-26S-28E	14000	14000
30-015-41533	GRAHAM CRACKER 16 STATE #002H	Oil	Active	229137	COG OPERATING LLC	C-16-26S-28E	12538	8022
30-015-40863	SKEEN 21 DM STATE #001	Oil	Active	14744	MEWBOURNE OIL CO	D-21-26S-28E	12525	7957
30-015-42855	SKEEN 21 B3DM STATE COM #002C	Oil	Cancelled	14744	MEWBOURNE OIL CO	D-21-26S-28E	0	0
30-015-42854	SKEEN 21 B3CN STATE COM #001C	Oil	Cancelled	14744	MEWBOURNE OIL CO	C-21-26S-28E	0	0
30-015-42812	SKEEN 21 D3DM STATE COM #003H	Oil	New	14744	MEWBOURNE OIL CO	D-21-26S-28E	0	0
30-015-42934	SKEEN 21 B2CN STATE #001H	Oil	Active	14744	MEWBOURNE OIL CO	C-21-26S-28E	12450	7959
30-015-42857	SKEEN 21 D3CN STATE COM #002C	Oil	Cancelled	14744	MEWBOURNE OIL CO	C-21-26S-28E	0	0



Legend

-  SALT CEDAR 16 STATE SWD 1
-  1.0 Mile Radius
-  BLM Lease
-  SLO Lease



0 0.25 0.5
Miles



State and Federal Leases
Solaris Water Midstream - SALT CEDAR 16 STATE SWD 1 - Eddy County NM

Date: 3/26/2021

3/26/21

Table 2
SLO Leases Within 1 Mile

Solaris Water Midstream
Salt Cedar 16 State SWD #1

Lease Number	Lessee
V0-7444-0000	THE ALLAR COMPANY
V0-7446-0000	THE ALLAR COMPANY
V0-7447-0002	CHEVRON U S A INC
V0-7466-0001	CONCHO OIL & GAS LLC/COG OPERATING LLC
V0-7467-0001	EOG RESOURCES INC
V0-7468-0001	EOG RESOURCES INC
V0-7469-0001	EOG RESOURCES INC
V0-7473-0001	CONCHO OIL & GAS LLC/COG OPERATING LLC
V0-7967-0002	OXY USA INC.
V0-7977-0002	MEWBOURNE OIL CO
VB-0677-0000	THE ALLAR COMPANY



Legend

 SALT CEDAR 16 STATE SWD 1

 1.0 Mile Radius

 PLSSTownship

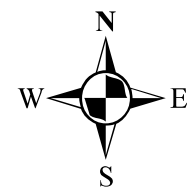
 PLSSFirstDivision

NM Surface Ownership

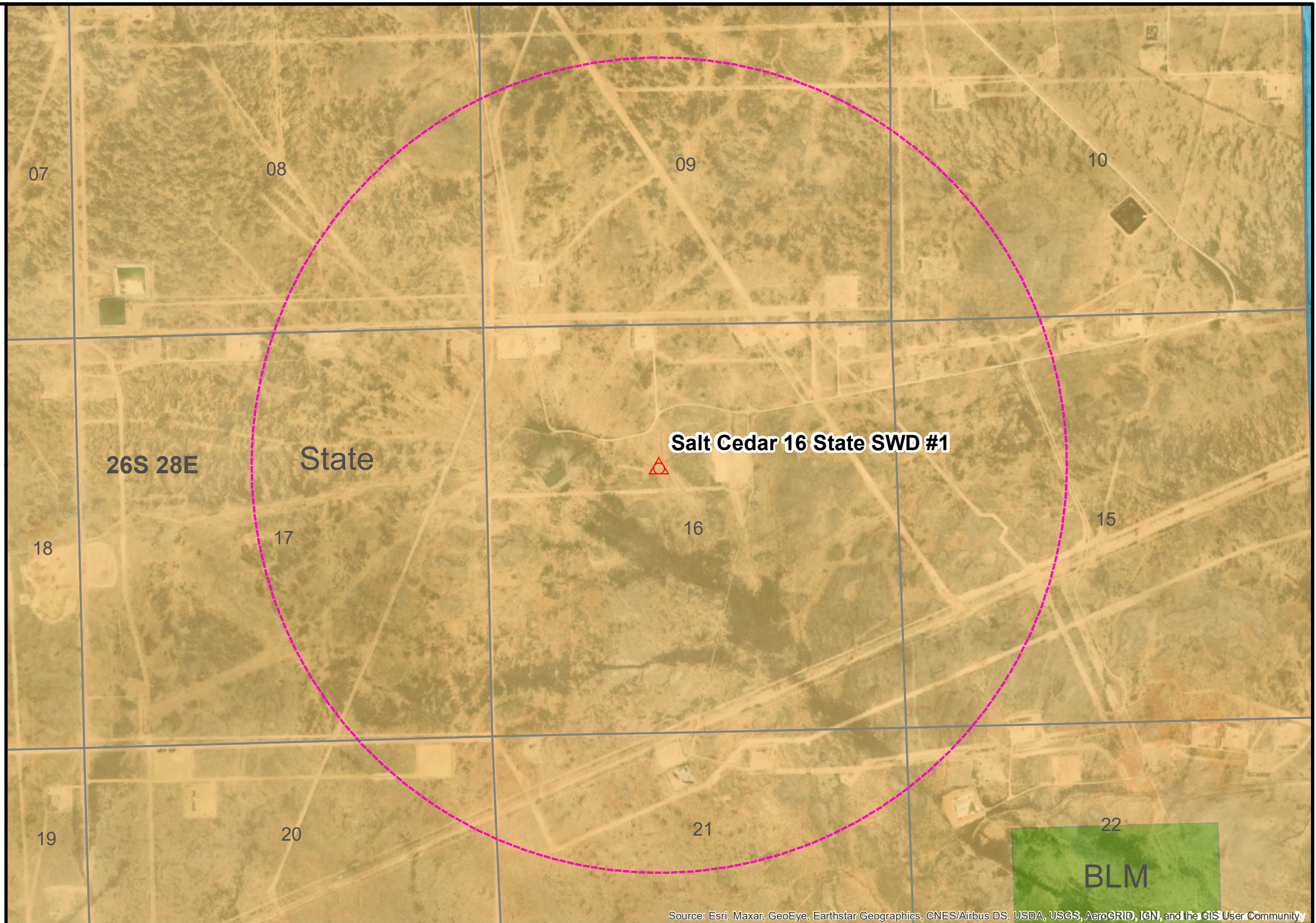
 BLM

 State

 Private



0 0.25 0.5
Miles



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Surface Ownership

Solaris Water Midstream - SALT CEDAR 16 STATE SWD 1 - Eddy County NM

Date: 3/26/2021

3/26/21

Table 3
Surface Owners Within 1 Mile

Solaris Water Midstream
Salt Cedar 16 State SWD #1

Owner Name
STATE OF NEW MEXICO