BW-036

PERMIT, APPLICATIONS, RENEWALS, & MODS

2022

From:	Chavez, Carl J, EMNRD
To:	Wunder, Matthew, DGF; ddapr@nmda.nmsu.edu; Richard, StephanieGarcia; James_Amos@blm.gov; psisneros@nmag.gov; r@rthicksconsult.com; sric.chris@earthlink.net; nmparks@state.nm.us; Tom.Blaine@state.nm.us; marieg@nmoga.org; william.fetner@state.nm.us; lazarus@glorietageo.com; perry@glorietageo.com; cjoyner@fs.fed.us; kevin.pierard@state.nm.us; bsg@garbhall.com; claudette.horn@pnm.com; dortiz@montand.com; pam@ipanm.org; Kautz, Paul, EMNRD; Robinson, Gary, EMNRD; Kerry EMNRD Fortner (Kerry.Fortner@state.nm.us); Adrienne EMNRD Sandoval (Adrienne.Sandoval@state.nm.us); Richard, StephanieGarcia; Cordero, Gilbert, EMNRD
Cc:	Goetze, Phillip, EMNRD; Powell, Brandon, EMNRD; Wrinkle, Justin, EMNRD
Bcc:	Philana Thompson; Jeff Davis; Darr Angell; Laura Angell; Gary Schubert; Ben Donahue; Marcus, Ramona, EMNRD; Tulk, Laura, EMNRD
Subject:	NM Oil Conservation Division- OCD WQCC UIC Class I (Non-hazardous) Injection Well & Class III (Solution Mining- Brine) Injection Well Discharge Permit Public Notices
Date:	Friday, July 29, 2022 2:52:00 PM

Ladies and Gentlemen:

Please find below the New Mexico Oil Conservation Division (OCD) initial Public Notices for the above subject Underground Injection Control (UIC) Class I (Non-hazardous) Injection Well (San Juan County) and Class III (Solution Mining- Brine) Injection Well (Lea County) Facilities.

The OCD Public Notices are scheduled to be posted in the Albuquerque Journal and Hobbs-Sun News on Sunday, July 31, 2022.

The OCD Draft Website for public notice information and updated postings is at https://www.emnrd.nm.gov/ocd/permitting-resources-how-tos/ (see “Discharge Plans” section).

WQCC Public Notices

Discharge Permit Application – Agua Moss, LLC. (7/29/2022):
Discharge Permit (UICI-5/Facility ID# fCJC2115960695)
The Underground Injection Control (UIC) Class I (Non-hazardous) Injection Well “Sunco Disposal Well No. 1- WDW-1″ (API No. 30-045-28653) is located at UL: E, Section 2, Township 29 North, Range 12 West, 1,595 FNL, 1,005 FWL, Latitude: N 36.75737º Longitude: W -108.07279°, NMPM, San Juan County. The well/facility is approximately 6 miles southwest of Aztec, NM at the intersection of County Roads 3500 and 3773.
Administratively Complete (7/29/2022)
Application (6/6/2022)
Discharge Permit (7/31/2022)
Public Notice (Estimated OCD Post Date: Sunday 7/31/2022)

Discharge Permit Application – Llano Disposal, LLC (7/29/2022):
Discharge Permit (BW-35/Facility ID# fCJC2134952911)
The Underground Injection Control (UIC) Class III Solution Mining Well “Siringo ACS State Well No. 1” (API# 30-025-30701) is located at UL: D, Section 26, Township 17 South, Range 36 East, Latitude: N 32.81150º Longitude: W -103.33178°, NMPM, Lea County. The injection well is located approximately 8.3 miles south of Lovington, or 1.1 miles east of the intersection of Hwy-483 (Arkansas Jct.) and Hwy-50 (Buckeye Rd.).
Administratively Complete (7/29/2022)
Application (6/14/2022)
Discharge Permit (7/31/2022)

Public Notice (Estimated OCD date: Sunday 7/31/2022)

Discharge Permit Application – H.R.C., Inc. (7/29/2022):
Discharge Permit (BW-36/Facility ID# fCJC2116031873)
The Underground Injection Control (UIC) Class III Brine or Solution Mining Injection Well "Schubert Farms Brine Well No.1" (API No. 30-025-37548) is located at UL: B, Section 25 Township 19 South, Range 38 East, 330 FNL, 1650 FEL, Lat. 32.63760°, Long. -103.09880°, NMPM, Lea County, New Mexico. The injection well is located approximately 1.9 miles E-NE of Nadine, NM or 1.7 miles E of the intersection of Hwy- 18 (S. Eunice Hwy.) and 0.95-mile N of Hwy- 56.
Administratively Complete (7/29/2022)
Application (5/26/2022)
Discharge Permit (7/31/2022)
Public Notice (Estimated OCD date: Sunday 7/31/2022

Please share this message with others and contact me if you have questions. Thank you.

Carl J. Chavez ● UIC Group
Engineering Bureau
EMNRD - Oil Conservation Division
5200 Oakland Avenue, N.E. Suite 100 | Albuquerque, NM 87113
505.660.7923
www.emnrd.nm.gov

Discharge Permit (BW-36/Facility ID# fCJC2116031873) H.R.C. INC, (07/29/2022):
The Underground Injection Control (UIC) Class III Brine or Solution Mining Injection Well "Schubert Farms Brine Well No.1" (API No. 30-025-37548) is located at UL: B, Section 25 Township 19 South, Range 38 East, 330 FNL, 1650 FEL, Lat. 32.63760°, Long. -103.09880°, NMPM, Lea County, New Mexico. The injection well is located approximately 1.9 miles E-NE of Nadine, NM or 1.7 miles E of the intersection of Hwy- 18 (S. Eunice Hwy.) and 0.95-mile N of Hwy- 56.

Administratively Complete (7/29/2022)
Application (5/26/2022)
Discharge Permit (7/31/2022)
Public Notice (Estimated OCD date: Sunday 7/31/2022)

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham A
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division

Sent via E-mail only

JULY 29, 2022

Gary M. Schubert
H.R.C. Inc.
P.O. Box 5102
Hobbs, NM 88241

Re: Discharge Permit (BW-036/ Facility ID# fCJC2116031873) H.R.C. Inc. UIC Class III Brine Well "Schubert Farms Brine Well No.1" (API No. 30-025-37548) UL: B Section 25 Township 19 South, Range 38 East, 330 FNL, 1,650 FEL, Lat. 32.63760°, Long.103.09880°, NMPM, Lea County, New Mexico

Mr. Schubert,

The New Mexico Oil Conservation Division (OCD) is in receipt of H.R.C. lnc.'s (HRC) new application dated May 26, 2022, received on same day, regarding the Schubert Farms Brine Well No. 1 at the above referenced injection well location.

After review of the application, OCD has determined HRC's application is *"administratively complete"* per New Mexico Water Quality Control Commission regulations (20.6.2.3108 NMAC).

HRC obligations to provide public notice should commence and be demonstrated to the OCD in a timely manner. The OCD will also provide notice to various stakeholders, governmental groups, etc. Depending upon the level of public interest, a hearing may be scheduled on this matter. OCD will continue review of the application and may request additional technical information to complete the application review process.

If you have any questions, please do not hesitate to contact me by phone at (505) 660-7923, U.S. Mail at the address below, or e-mail at CarlJ.Chavez@state.nm.us. On behalf of the OCD, I wish to thank you and your staff for your continued cooperation in this process.

Sincerely,

Carl J. Chavez
Engineering Bureau- UIC Group

CC: Phillip Goetze
South District Office

BW-036

Discharge Plan Application for Brine Extraction Facilities & Form C-108

May 26, 2022

Table of Contents **Page #**

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Revised August 1, 2011

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITES

(Refer to the OCD Guidelines for assistance in completing the application)

■ New ☐ Renewal

I. Facility Name: H.R.C. Inc. Brine Facility – Schubert Farms #001

II. Operator: H.R.C. Inc. (OGRID # 316329)
PO Box 5102
Hobbs, NM 88241

Contact Person: Gary M Schubert — Office Phone: (575) 393 – 3194
Email: garymschubert@gmail.com — Cell Phone: (575) 631-0962

III. Location: Section 25 Township 19S Range 39E
Latitude: 32.6375999, Longitude: -103.0988007 NAD83

Submit large scale topographic map showing exact location. See **Appendix A**

IV. Attach the name and address of the landowner of the facility site.

S & H Enterprises
P.O. Box 1606 Hobbs,
NM 88241
Lea County tax and ownership records attached. See **Appendix B**

V. Attach a description of the types and quantities of fluids at the facility.

This facility will have the capability of storing 2000 bbls of produced brine water in four 500 bbl. fiberglass storage tanks located in a lined pit above ground. The facility will also have the capability of storing 1500 bbls of effluent water for injection purposes in two 750 bbl. fiberglass tanks.

VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.

Recycled or effluent water will be pumped from the supply system through a meter into the two 750 bbl injection water storage tanks. The water will then be pumped from the two 750 bbl. water tanks through the centrifugal injection pump, down the well tubing, and into the salt formation at a rate of approximately 40 gpm at 255 psi. The water will return from the salt formation up the annulus and will travel to the four fiberglass brine storage tanks at a rate of approximately 30 gpm @ 25 psi. The produced brine will then be pumped by a centrifugal transfer pump from the well tanks to the peanut shed storage facility where it will be transferred to the ETZ Water Station on Nadine Rd. per sales demand.
There will be no solid disposal facilities at this location.
See **Appendix C** for Brine Facility layout and Peanut Shed Facility layout

VII. Attach a description of underground facilities (i.e. brine extraction well).

The only underground facilities will be a brine well and its piping construction. Enclosed is a schematic of the existing completion and a schematic of existing wellhead status. See **Appendix D**

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

H.R.C. Inc. recognizes the potential for leaks to occur in its production pipeline which is run on the surface from the well site to the storage facility. In order to address this concern H.R.C. Inc. has implemented a daily program to visually inspect the line for any leaks or discharges. Should a leak be detected the transfer pump will be shut down and the line will be shut in to allow for any repairs and to prevent any additional leakage. Once the situation is assessed, any reporting to the OCD will be done as required in the time frame specified by the OCD and any remediation will be performed as required.
All above ground piping and tanks at the well site will be visually inspected for leaks by company personnel during each site visit. (At least two times per day during routine well checks). Any problems such as leaks, spills or well abnormality will be taken to the attention of H.R.C. supervisor immediately. Supervisor will assess the problem and proceed with proper notification and repairs as OCD rule 116 requires.

IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.

The proposed site is located southeast of Hobbs, NM approximately 1.25 miles east of the end of McNeil St. The area is relatively flat with very little elevation differences. There is no surface water in close proximity to the proposed site. The average rainfall for this area is 12-15 inches annually. The 100 year the last recorded flood was in 1990, where 10 inches of rain was recorded in a 24 hour period. In normal conditions, rain soaks in and is absorbed into the soil as fast as it comes down. With the present facility design, it is highly unlikely any run off or run on of the property would occur. If, in the future, some problems were to occur, revisions to the discharge plan for this facility would be incorporated.

Geology

The proposed site is located on the Central Basin Platform of the Permian Basin. The sub-surface formations are in a transitional area between Delaware Basins back reef or shelf area and the platform. The brine product is from the Salado formation of the Ochoa series. The series of upper Permian Age, and extends across the Delaware Basin, Central Basin Platforms, thins and pinches out on the eastern shelf. This series of layers are predominately evaporates which contains strings of dolomite, shale, siltstone, and sandstone. The thickness of this salt section averages about 1000'. The Triassic rock overlaying the Permian formation is the Dockem group, and is divisible into the Santa Rosa sandstone and the Chinle formation. The Tertiary rocks are represented by the Ogallala formation. This formation ranges in thickness from 0' to 300'. It is chiefly calcareous, unconsolidated sand, clay, tilt, and gravel. This is the formation from which most of Lea County obtains its drinking water.

Hydrology

Underground aquifers in this area are the Ogallala and Quaternary Alluvium formations. The groundwater in these formations is unconfined where the underlying red beds are relatively impermeable. This underlying layer presents further downward or upward movement. From information reviewed, the groundwater flow from the Ogallala formation flows to the south southeast, the water level for this area ranges from 50' to 70' below ground level and the average depth of the wells are 150'. Find within the list of water wells in the general area and analytical from one of the wells.

X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

Quarterly Monitoring Plan

H.R.C. Inc will comply with all general facility operations requirements set forth in the discharge permit approval conditions. These general requirements include Quarterly Water monitoring of Monitor Well Water, Injected Water, & Produced Brine Water. The environmental data results from these tests shall be reported in the Annual Report. In addition to the quarterly water monitoring plan, a solution cavern monitoring program shall also be implemented.

Surface Subsidence Monitoring Plan

H.R.C. Inc. proposes to have three surveys performed at the well site, monitoring the three survey markers in place. The surveyor will also monitor the top of the well casing during these three surveys. H.R.C. Inc. will employ a professional surveyor to perform these surveys and will submit the results to the OCD within 15 days of completion. The results of these three surveys will also be included in the Annual Report. See **Appendix E** for the most current survey showing the monitoring plan.

APPENDIX A


32.6375999, -103.0988005
Oil Well
3601
Oil Well
Drill Hole
PIPELINE
Oil Well
3590
Nadine
Well
3580
Well
3576
Well
3575
Well
3587
Gravel Pit
Well
Well
PIPELINE
23
24
19
20
26
25
30
29
35
36
31
32

APPENDIX B

Lea County

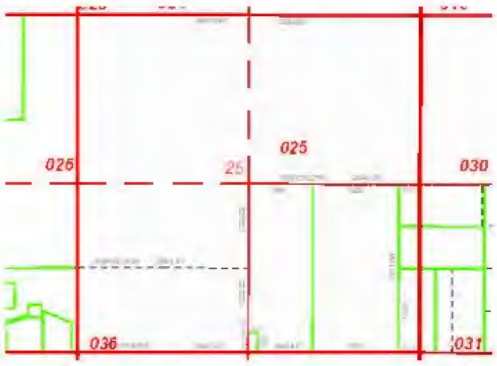
GIS INTERNET REPORT

Assessment Information

OWNER NUMBER: 76352

PARCEL NUMBER: 4000763520001

UPC CODE: 4000763520001



Owner Information	
Owner:	S & H ENTERPRISES
Mailing Address:	PO BOX 1606 HOBBS NM 88241
Property Address:	

Subdivision Information	
Name:	
Unit:	
Block	
Lot:	

Legal Information
481.10 AC BEING N2 & SW4

Lea County

GIS INTERNET REPORT

Other Information			
Taxable Value:	$29,534.00	**Deed Book:**	493
Exempt Value:	$0.00	**Deed Page:**	659
Net Value	$29,534.00	**District:**	160
Livestock Value:	$0.00	**Section:**	25
Manufactured Home Value:	$0.00	**Township:**	19
Personal Property:	$0.00	**Range:**	38
Land Value:	$88,602.00	**Date Filed:**	
Improvement Value:	$0.00	**Most Current Tax:**	$843.74
Full Value:	$88,602.00	**Year Recorded:**	

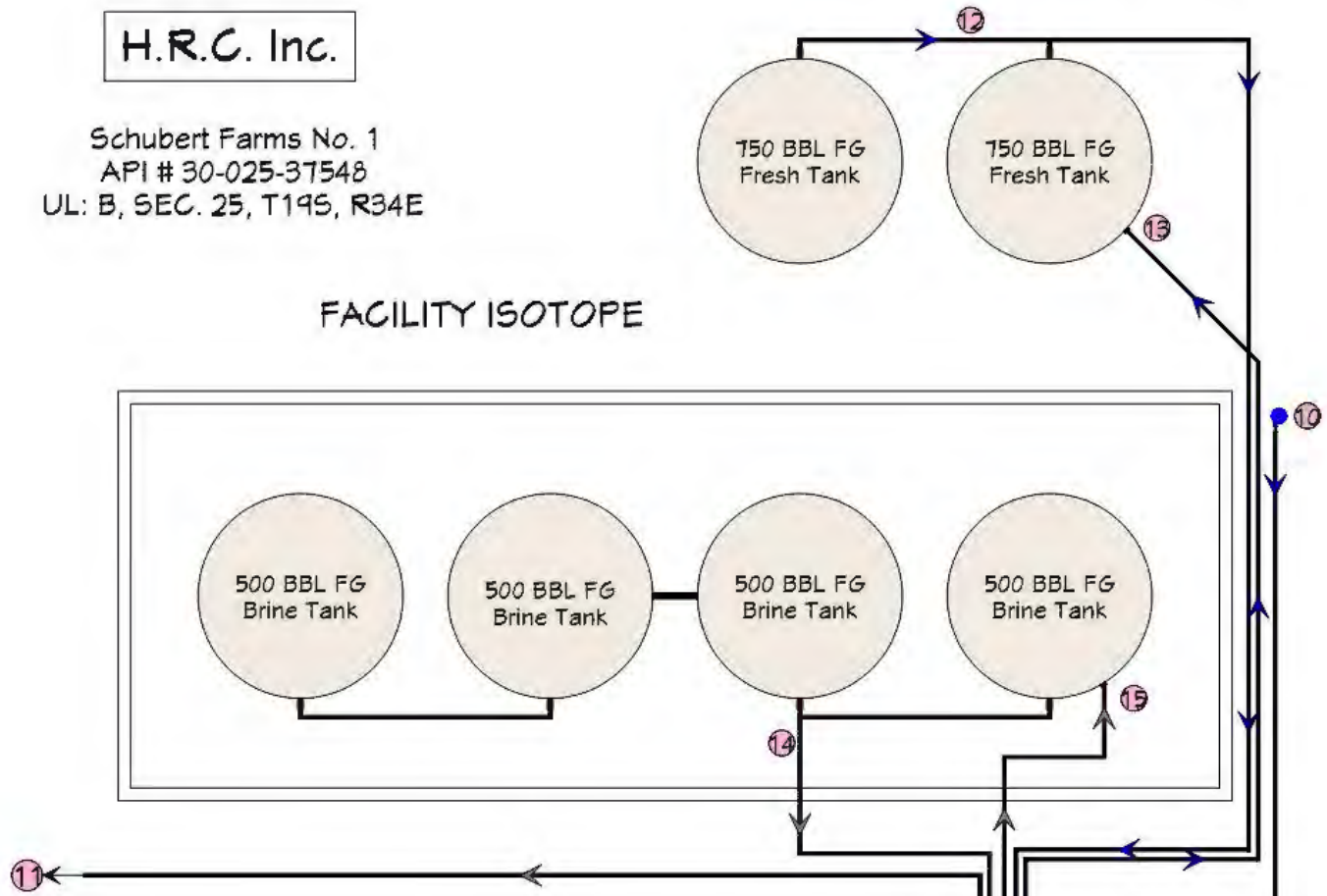
Square Foot and Year Built listed only to be used for comparative purposes, NOT to be used for commerce.

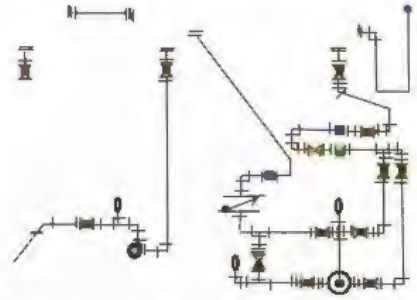
APPENDIX C

H.R.C. Inc.

Schubert Farms No. 1
API # 30-025-37548
UL: B, SEC. 25, T19S, R34E

FACILITY ISOTOPE





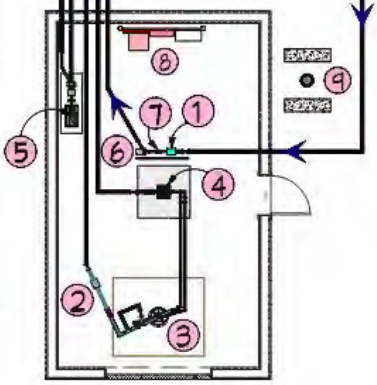
- FRESH WATER MAIN POD
- FRESH WATER MONITOR WELL
- GRUNDFOS CR32 PUMP
- FRESH WATER METER
- BRINE WATER METER
- BRINE TRANSFER C-PUMP
- HEAD SWITCH
- WELLHEAD W/ TUBING
- BALL VALVES - BAYLON TYPE
- PRESSURE GAUGE

KEYED NOTES

1	McCrometer Ultramag Fresh Water Flow Meter 2" Meter w/ Digital Display mounted on rack
2	McCrometer Ultramag Brine Water Flow Meter 3" Meter w/ Digital Display mounted on rack
3	Wellhead w/ Tubing
4	Grundfos CR-32 Centrifugal Injection Pump 460V 3 Phase
5	Summit MT Brine Transfer Pump 460V 3 Phase
6	Teal Irrigation Booster Pump 480V 3 Phase
7	Signature Control Systems 2" Globe Valve 24V Solenoid
8	Electrical Control Rack. All panels and pump controls hung on rack at this location.
9	Fresh Water Monitor Well w/ concrete barricade protection.
10	Fresh Water Supply Point. 3" Poly SDR 11 line w/ shutoff valve at this location run to fresh meter.
11	3" Poly SDR-11 Brine line from transfer pump to sales tanks.
12	3" Poly SDR 11 Line from Fresh Water tank outlets to Grundfos Injection Pump.
13	3" Poly SDR 11 Line into top of 750Bbl Fresh Tanks from Irrigation Booster Pump
14	3" Poly SDR 11 Line from Brine Water tank outlets to Summit MT Transfer Pump.
15	3" Poly SDR 11 Line into top of 500Bbl Brine Tank from Wellhead Casing

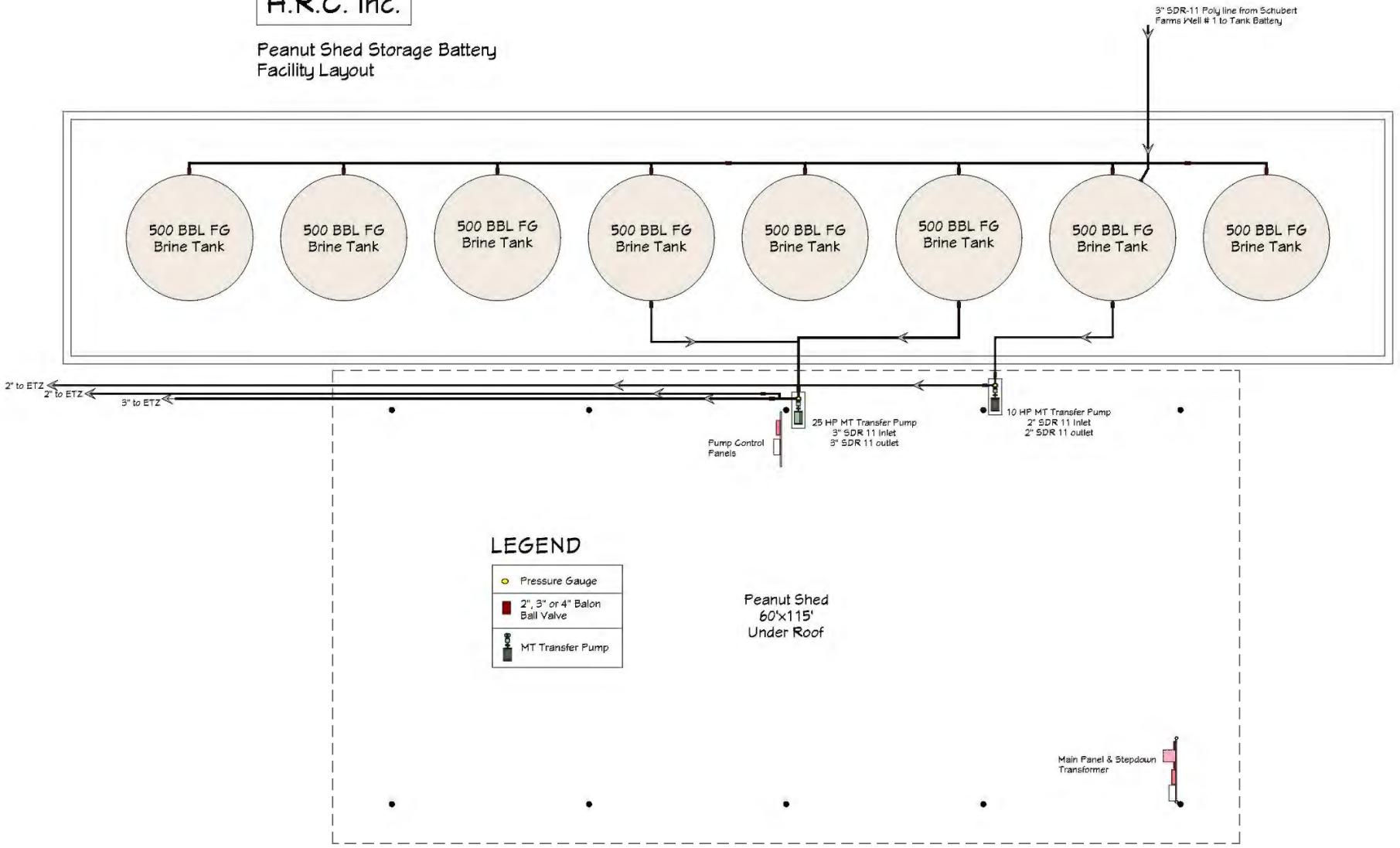
LEGEND

2" or 3" Balon Ball Valves
Check Valve
Pressure Gauge
3" or 4" Balon Ball Valve @ Tanks
Fresh Meter
Brine Meter
Irrigation Pump



H.R.C. Inc.

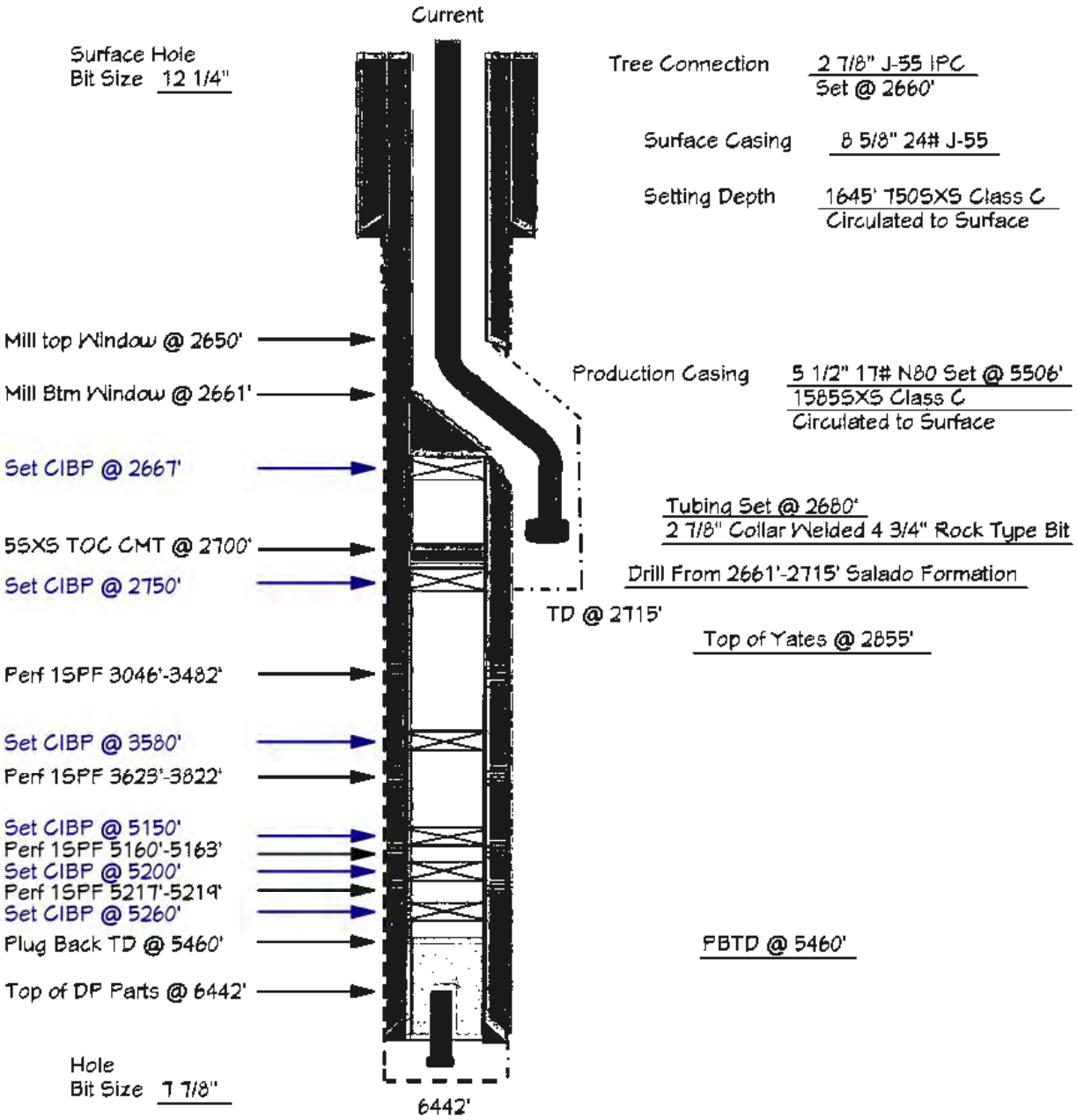
Peanut Shed Storage Battery
Facility Layout



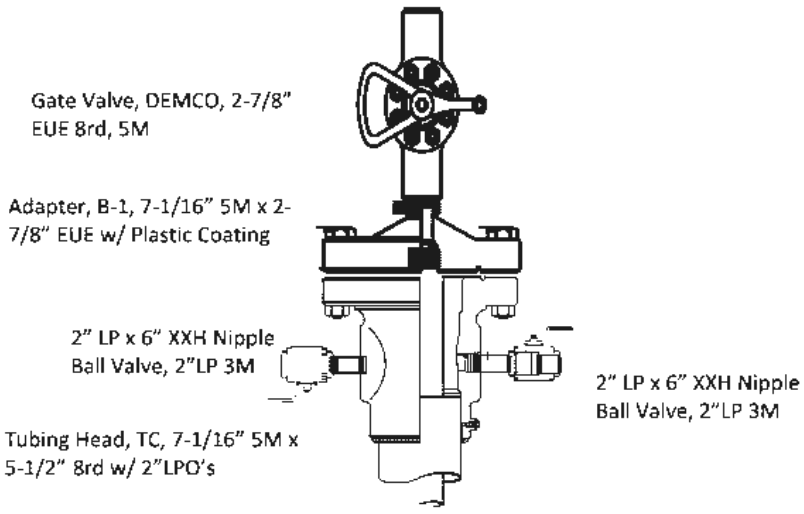
APPENDIX D

H.R.C. Inc.

Schubert Farms Well #1 BW-36
330 FNL, 1650 FEL, Unit (B), Sec. 25, T19S, R38E
API # 30-025-37548
Lea County, NM



Schubert Farms # 1
Wellhead Drawing

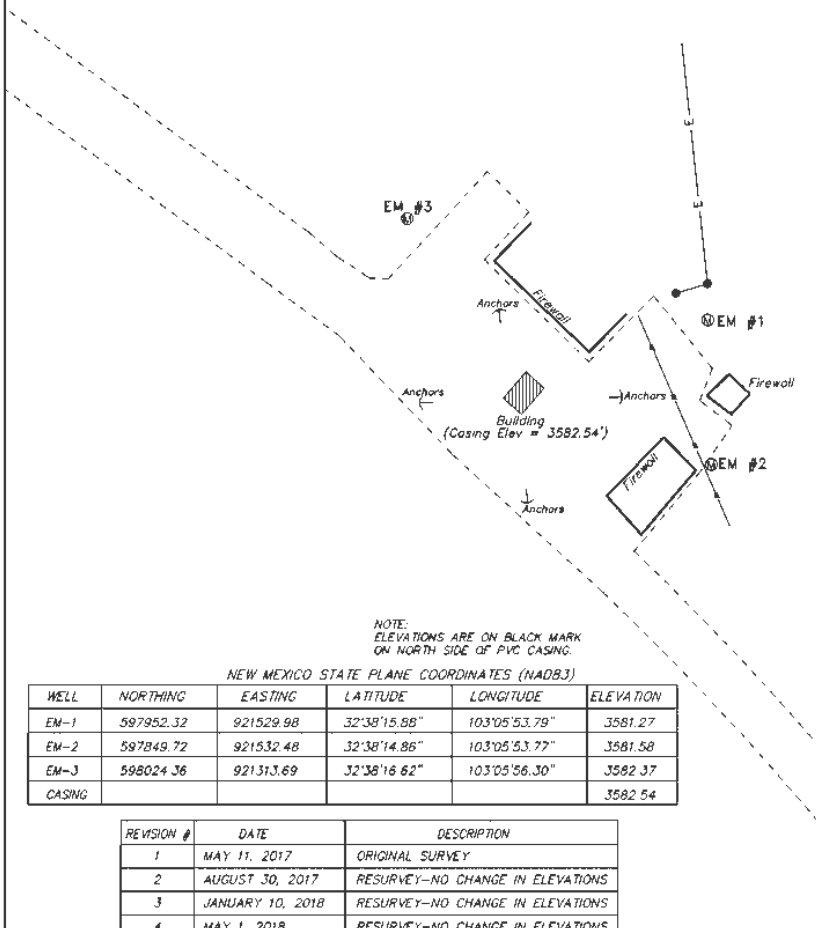


Drawn by TEM 5/19/2022

APPENDIX E

SECTION 25, TOWNSHIP 19 SOUTH, RANGE 38 EAST, N.M.P.M.,

LEA COUNTY, NEW MEXICO.



NOTE:
ELEVATIONS ARE ON BLACK MARK ON NORTH SIDE OF PVC CASING.

NEW MEXICO STATE PLANE COORDINATES (NAD83)

WELL	NORTHING	EASTING	LATITUDE	LONGITUDE	ELEVATION
EM-1	597952.32	921529.98	32°38'15.88"	103°05'53.79"	3581.27
EM-2	597849.72	921532.48	32°38'14.86"	103°05'53.77"	3581.58
EM-3	598024.36	921313.69	32°38'16.62"	103°05'56.30"	3582.37
CASING					3582.54

REVISION #	DATE	DESCRIPTION
1	MAY 11, 2017	ORIGINAL SURVEY
2	AUGUST 30, 2017	RESURVEY-NO CHANGE IN ELEVATIONS
3	JANUARY 10, 2018	RESURVEY-NO CHANGE IN ELEVATIONS
4	MAY 1, 2018	RESURVEY-NO CHANGE IN ELEVATIONS
5	SEPTEMBER 5, 2018	RESURVEY-NO CHANGE IN ELEVATIONS
6	JANUARY 15, 2019	RESURVEY-NO CHANGE IN ELEVATIONS
7	MAY 7, 2019	RESURVEY-NO CHANGE IN ELEVATIONS
8	OCTOBER 14, 2019	RESURVEY-NO CHANGE IN ELEVATIONS
9	JANUARY 31, 2020	RESURVEY-NO CHANGE IN ELEVATIONS
10	MAY 12, 2020	RESURVEY-NO CHANGE IN ELEVATIONS
11	SEPTEMBER 9, 2020	RESURVEY-NO CHANGE IN ELEVATIONS
12	JUNE 21, 2021	RESURVEY-NO CHANGE IN ELEVATIONS
13	Sept. 30, 2021	RESURVEY-NO CHANGE IN ELEVATIONS
14	December 27, 2021	RESURVEY-NO CHANGE IN ELEVATIONS
15	March 8, 2022	RESURVEY-NO CHANGE IN ELEVATIONS

NOTE:
1. SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THIS SECTION.
2. COORDINATES AND BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM NAD 83, NEW MEXICO EAST ZONE AND DISTANCES ARE OF SURFACE VALUE.
3. ELEVATIONS BASED OFF GOVERNMENT TRI-STATION GOVERNMENT TR-STATION. DESIGNATION. E 98, PID. CV0314 N: 608923.89, E: 907545.93, ELEV 3602.22
4. WELLS HAVE NOT REDUCED IN ELEVATION SINCE MAY 11, 2017.

100 0 100 200 FEET

SCALE: 1" = 100'

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S.
TEXAS P.L.S. No. 7977

GARY L. JONES NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

H.R.C. INC.

REF: ELEVATION MARKERS

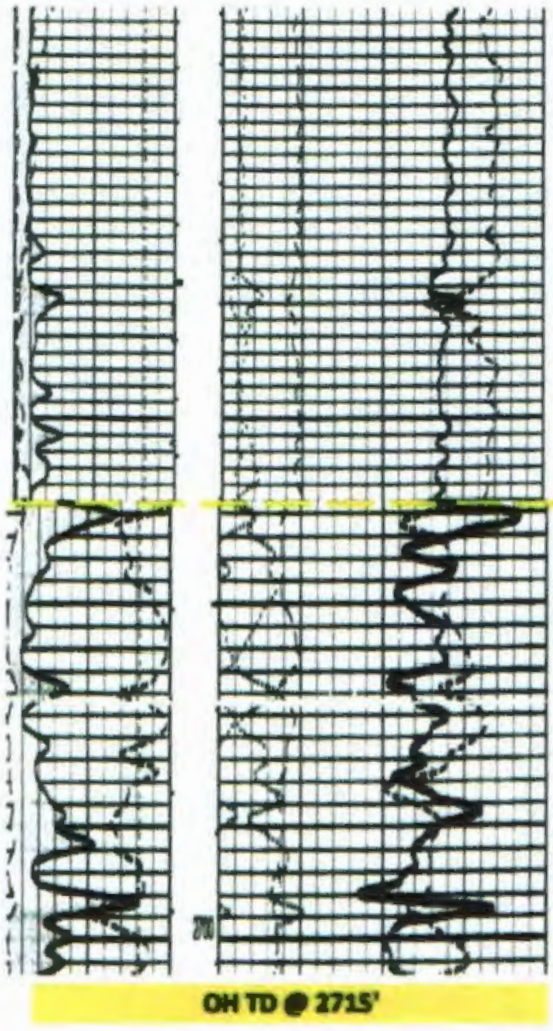
ELEVATION MARKERS LOCATED IN
SECTION 25, TOWNSHIP 19 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 35623 | Drawn By: K. GOAD
Date: 03-09-2022 | Disk: KJG - SCHUBERT FARMS 35623 | Survey Date: 03-08-2022 | Sheet 1 of 1 Sheets

APPENDIX F

Schubert Farms Well No1
API 30-025-37548
B SEC 25 T19S R38E
LAT: 32.6375999 LONG:-103.0988007

CAVERN SIZE BY CUBIC FOOT OF VOLUME



PPG 9.97 brine
PPG 8.34 fresh
SG 1.1951

[ ] Total Brine bbl. [ ]
122.136 Lbs / Bbl = [ ] Lbs Halite
[ ] / (80 Lbs / Cu.Ft.) = [ ] Cu.Ft.

$V = \pi r^2 h / 3$

$V = (3.14159 * 183.19^2) * (54') / 3$
$V = 1,897,785$ Cu.Ft.

Est. Height is [ ]
Est. Cavern Floor Diameter is [ ]

APPENDIX G

Form WQCC-1
Adopted 5-24-2011

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION (OCD)
WATER QUALITY CONTROL COMMISSION (WQCC) OCD DISCHARGE PERMIT BOND

BOND NO. 1142959
OCD PERMIT BW-036
AMOUNT OF BOND $89,415.00
COUNTY Lea

File with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That H.R.C. Inc., (an individual – **if dba must read – Example: John Doe dba ABC Services**) (a general partnership) (a corporation), (limited liability company) (limited partnership) organized in the State of New Mexico, and authorized to do business in the State of New Mexico, as PRINCIPAL, and H.R.C. Inc., a corporation organized and existing under the laws of the State of New Mexico and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION), pursuant to 20.6.2.5210.B(17) NMAC, 20.6.2.5006 NMAC, and 20.6.2.3107.A(11) NMAC, in the sum of $89,415.00, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, the PRINCIPAL does or may own or operate a "Facility" (identified by location only below) and/or one or more wells (identified by location(s) below) for the injection of fresh and non-fresh water, remediation fluids (i.e., Class I (NH) Disposal Well or Class V Pump & Treat Injection Well), oilfield exempt, non-exempt and/or geothermal produced fluid waste(s) into the subsurface for use in connection with oil, gas and/or geothermal activities, which well is classified as a Division Underground Injection Control Class I, III or V Injection Well pursuant to the 20.6.2.5002 et seq. NMAC, the identification and location(s) of said well(s) being.

Schubert Farms Brine Well #1 (Name of Well) API No. 30- 025-37548, located 330 feet from the North (North/South) line and 1650 feet from the East (East/West) line of Section 25 Township 19 South (North) (South), Range 39 East (East) (West), NMPM, and Latitude 32.63759 Longitude 103.09880 County Lea, New Mexico.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall: (a) cause said well(s) to be properly plugged and abandoned when no longer productive or useful for other beneficial purpose in accordance with the WQCC rules and/or orders of the DIVISION; and (b) take all measures necessary, as required by the DIVISION by OCD Permit No. BW-036 pursuant to 20.6.2 and 20.6.4 NMAC, as such rules now exist or may hereafter be amended, to prevent contamination of ground water having 10,000 milligrams per liter (mg/l) or less concentration of total dissolved solids (TDS), including, but not limited to, surface and ground water restoration if applicable, and post-operational monitoring.

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

H.R.C., Inc.
PRINCIPAL
PO Box 5011
Hobbs, NM 88241
Address

By
Signature

Title

If PRINCIPAL is a corporation, affix Corporate seal here

Lexon Insurance Company
SURETY
2307 River Road, Suite 200
Louisville, KY 40206
Address

Jill Kemp, Attorney-In-Fact

Corporate surety affix Corporate seal here

Form WQCC-1

ACKNOWLEDGMENT FORM FOR INDIVIDUAL

(If dba, must send – Example: John Doe dba Well Services)

STATE OF _____)
ss.
COUNTY OF _____)

This instrument was acknowledged before me on this _____ day of _____ 20____.

by _____.
(Name of Individual)

_____
Notary Public

SEAL

_____
My Commission Expires

ACKNOWLEDGMENT FORM FOR PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY

STATE OF _____)
ss.
COUNTY OF _____)

This instrument was acknowledged before me on _____ day of _____ 20____ by _____
(Name of Person Signing Instrument)

as _____ of _____
(Capacity, e.g., partner, president, manager, member) (Name of partnership, corporation or limited liability company)

_____
Notary Public

SEAL

_____
My Commission Expires

ACKNOWLEDGMENT FORM FOR CORPORATE SURETY

STATE OF Kentucky)
ss.
COUNTY OF Jefferson)

This instrument was acknowledged before me on this 19th day of January, 20 17,

by Jill Kemp, as Attorney-in-Fact for Lexon Insurance Company
(Name of Attorney-in-Fact) (Name of Corporate Surety)

Barbara Duncan
Notary Public
Barbara Duncan

SEAL

June 28, 2020
My Commission Expires

Corporate Surety attach Power of Attorney

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By _____

Date _____

POWER OF ATTORNEY

LX- 291529

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Barbara Duncan, Sandra L. Fusinetti, Mark A. Guidry, Jill Kemp, Lynnette Long, Amy Meredith, Deborah Neichter, Theresa Pickerrell, Sheryon Quinn, Bonnie J. Rowe, Beth Frymire, Michael Dix its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed $5,000,000.00, Five Million dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signeture of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 5th day of August, 2015.

LEXON INSURANCE COMPANY

BY _____
David E. Campbell
President

ACKNOWLEDGEMENT

On this 5th day of August, 2015, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in end which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporetion.

AMY TAYLOR
Notary Public- State of Tennessee
Davidson County
My Commission Expires 07-08-19

BY _____
Amy Taylor
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Seal at Mount Juliet, Tennessee this 10th Day of Jan, 2017.

BY _____
Andrew Smith
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

APPENDIX H

H.R.C. Inc.
P.O. Box 5102
Hobbs, NM 88241

ANALYSIS OF BRINE WELL CLOSING EXPENSES
Schubert Farms Well #1
API# 30-025-36781

PLUG & ABANDON COSTS

$49,150.00	Well Plugging, Pulling Unit, Tools, Etc. (Lucky Services) Trucking, Rental Equipment, Water, Misc. (Lucky Services)
$20,268.00	Cementing (Spinnaker Oilfield)
$5000.00	Contingency
$74,418.00	**Total Plug & Abandon Costs**

TANK/SURFACE EQUIPMENT/ETC.

$51,615.00	Remove Tanks (Includes Cleaning) (1st Backhoe) Remove & Haul off signs, concrete, fencing, etc. (1st Backhoe) Removal of Pit Liner & Berm Material (1st Backhoe) Removal of Production Pipeline (1st Backhoe) Reseeding (1st Backhoe)
$6500.00	Supervision & Contingency
$58,115.00	**Total Surface Restoration Costs**

SUBSURFACE MONITORING

$20,000.00	Surveying Expenses ($1000.00 x 5 years x 4 Quarter / Year)
$5,000.00	Office Expenses (Reporting at $1000 / Year)
$25,000.00	**Total Subsurface Monitoring Costs**

$157,533.00	**Total Closure Plan Costs**

LUCKY SERVICES INC.
OFFICE: (575)392-1547 • FAX: (575) 433-1547
P.O. BOX 610 • 6210 LOVINGTON HWY.• HOBBS,NM 88241

ESTIMATE

DATE	INVOICE NO.
5/24/2022	N/A

BILL TO:

H.R.C. INC.
P.O. BOX 5102
HOBBS, NM 88241

CONTACT: GARY SCHUBERT

SALES TAX CODE: NM

LEASE: SCHUBERT FARMS WELL #1

CUSTOMER NO: 00-HRC

DESCRIPTION	QUANTITY	PRICE EACH	AMOUNT
Well Service Unit	6 Days	$3500.00 / Day	$28,000.00
Pump Truck w/ Water	4 Days	$1100.00 / Day	$8800.00
Tongs, Rig Tools, Etc.	4 Days	$275.00 / Day	$1100.00
BOP Rental	6 Days	$500.00 / Day	$3000.00
Other Misc. Tools			$2000.00
Anchor Test			$500.00
Pipe Racks			$2000.00
Welder			$750.00
CIBP (Third Party)			$2000.00
Subcontractors, Etc.			$1000.00
		TOTAL	$49,150.00

H.R.C. Inc
Schubert Farms Well 1 BW-36
API #:30-025-37548
Sec 25, T19S, R38E
Lea County, NM
Proposal #33720001
Service point Hobbs, New Mexico
5/24/2022

Price Book Version 020222-1

Prepared for:

Gary Schubert
H.R.C. Inc
garymschubert@gmail.com

Prepared by:

Dillon Bellamy
Operations Engineer I
dillon.bellamy@spinnakeroil.com
(405) 328-1026

Contact:

Sam Carpenter
Operations Coordinator
lance.carpenter@spinnakeroil.com
(575) 552-2286

Contact:

David Davis
Operations Coordinator
david.davis@spinnakeroil.com
(575) 241-3844

Thank You For Your Business!!!

H.R.C. Inc
Schubert Farms Well 1 BW-36
Lea County, NM

SPINNAKER OILFIELD SERVICES

Ref. #	Description	Quantity	Unit Price	Sub Total	Total
	********* Cementing Service and Materials *********				
MLPU1	Pickup Mileage 1 unit (roundtrip miles)	50	$3.94	$197.00	$98.50
MLHE2	Heavy Vehicle Mileage 2 units (roundtrip miles)	50	$13.56	$678.00	$339.00
MLTN	Bulk Cement Delivery/Return (per Ton-Mile)	177	$2.73	$483.21	$241.61
MXBK	Bulk Material Mixing Service Charge (Per cu.ft.)	150	$3.03	$454.50	$227.25
SG36	Swage, 4 1/2" - 13 3/8" (per day)	1	$423.50	$423.50	$211.75
PC5KPS	Pump Charge Plug/Sqz 0-5000' (Per 4 hrs)	2	$8,250.00	$16,500.00	$8,250.00
VALV12	1" to 2" valves	2	$393.25	$786.50	$393.25
DAQ	Data Acquisition System	1	$1,331.00	$1,331.00	$665.50
FLSCG	Fuel Surcharge (per unit/per job)	2	$605.00	$1,210.00	$605.00
ENVFEE	Environmental Fee	1	$211.75	$211.75	$105.88
DAMSS	Data Monitoring System/Supervisor	1	$800.00	$800.00	$400.00
CIRON	Circulation Equipment (40' of equipment per job)	2	$1,512.50	$3,025.00	$1,512.50
CPRMP	Class C Cement (per sack)	300	$44.87	$13,461.00	$6,730.50
CRETDIA	SR-4 (per lb)	28	$4.58	$129.16	$64.58
	Additional Items if used				
PCADD	Primary Pump Unit Addl Hours	0	$594.50	$0.00	$0.00
DERKC	Derrick Charge (Cement Head Stabbing Above 8 ft)	0	$726.00	$0.00	$0.00
CDFDIAL	ATF Cement Defoamer (per gal)	0	$29.50	$0.00	$0.00
FOAMB6	6" Foam Ball (each)	4	$105.50	$422.00	$422.00
CSUGAR	Sugar (per lb)	0	$1.47	$0.00	$0.00
	Book Price			$40,112.62	
	Estimated Total (Exclusive of Sales Tax)				**$20,267.31**

5/24/2022

Thank You For Your Business!!!

1ST BACKHOE SERVICES, LLC
323 W. HICKMAN DR.
HOBBS, NM 88240
575-318-1383

Estimate

Date	Invoice #
5/25/2022	n/a

Bill To:
H.R.C. Inc. P.O. Box 5102 Hobbs, NM 88241

Location	P.O. No.
Schubert Farms #1	

Quantity	Description	Rate	Amount
1	Provide Vac Truck to purge & clear all flow lines Roustabout Crew to break out/dismantle all tank connections & haul away Connections & lines. Load & Haul Tanks to owners storage yard Remove all pit lining from containment area and dispose Remove all tank berm material and haul away Remove all signs, fencing, etc. from location Smooth out location & reseed with BLM mixture		
	Labor, Materials, & Equipment		$51,615.00

All Past Due Invoices are subject to a FINANCE CHARGE of 1.5% which is an ANNUAL RATE of 18%

Total **$51,615.00**

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: ___Secondary Recovery ___Pressure Maintenance ___Disposal ___Storage __X_Brine Production
Application qualifies for administrative approval? _____X_____Yes _____No

II. OPERATOR: H.R.C. Inc.
ADDRESS: PO Box 5102 Hobbs, NM 88241
CONTACT PARTY: Gary M Schubert PHONE: (575) 631-0962 EMAIL: garymschubert@gmail.com

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- See Attached **APPENDIX A**

IV. Is this an expansion of an existing project? _____Yes ____X____No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- See Attached **APPENDIX B**

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- See Attached **APPENDIX C**

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
   - Average Rate – 1300 Bbls/day @ 37gpm
   - Maximum Rate – 1440 Bbls/day @ 42gpm
2. Whether the system is open or closed;
   - This is a closed system
3. Proposed average and maximum injection pressure;
   - Average Injection Pressure – 255psi
   - Maximum Injection Pressure – 270psi
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
   - Source – Effluent or Recycled water See **Appendix D** for an analysis of injected water from Cardinal Laboratory
   - All water sources will be unsaturated which will dissolve salt from the formation and return as saturated brine.
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
   - Injection is not for disposal.

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- This information was submitted on a previous C-108 pages 124-150 on OCD file bw-36_06_28_2017_08_11_34_a.pdf (BW-036 Permit Application, Renewals, & Mods 2016)

IX. Describe the proposed stimulation program, if any.
- No stimulation is proposed.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- A cement bond log was performed on June 21, 2016. See **Appendix E** for the log file.

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- This information was submitted on a previous C-108 pages 117-118 on OCD file bw-36_06_28_2017_08_11_34_a.pdf (BW-036 Permit Application, Renewals, & Mods 2016)
- See **Appendix F** for a chemical analysis from the monitor well located at the Schubert Farms Well #1 well site.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

- This is not a disposal well. However H.R.C. Inc. has examined the available geologic and engineering data and find no evidence of faults or any other hydrologic connection between the zone of injection and any other underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

- Proof of notice is to be done in accordance with WQCC Public Notice & Permitting flowchart. Specifically in accordance with NMAC 20.6.2.3108. Attached is a map showing the adjoining properties and a notification list of those identified properties. H.R.C. Inc. will provide notice by certified mail to those parties listed.
- H.R.C. Inc will provide notice in accordance of subsection F of 20.6.2.3108 NMAC
- H.R.C. Inc. will post a synopsis of the public notice on 2'x3' signs in both English and Spanish in space that is conspicuous to the public for the term specified by the department.
- H.R.C. Inc. will publish this same synopsis in a display advertisement not in the classifieds or legal advertisement section in the Hobbs News Sun.
- See **Appendix G** for the map and notification list of adjacent property owners.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: GARY M. SCHUBERT TITLE: PRES.

SIGNATURE: Gary M. Schubert DATE: 5/26/22

E-MAIL ADDRESS: GARYMSCHUBERT@GMAIL.COM

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: See Notes made under each of these sections for dates and circumstances pertaining to information previously submitted.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

APPENDIX A

III. Well Data

A(1) Lease Name: Schubert Farms
Well No.: Schubert Farms #001, API# 30-025-37548
Location: Unit B Section 25 Township 19S Range 38E, 330' FNL, 1650' FEL

A (2) Casing string

Surface casing
Size: 8 5/8"
Setting Depth: 1600'
Sacks of cement: 325
Hole size: 12 1/4"
Top of cement: Surface
How top determined: Circulated to surface

Production casing
Size: 5 1/2"
Setting Depth: 8000'
Sacks of cement: TBD
Hole size: 7 7/8"
Top of cement: Surface
How top determined: Circulated to surface

A(3) Tubing
Size: 2 7/8"
Lining Material: Plastic lined interior coated
Setting depth: 2700'

A(4) Packer
Name: None
Model: N/A
Setting Depth: N/A

See attached schematic.

B(1) Injection formation: Salado formation of the Ochoa series

B(2) Depth and perforated or open-hole: Open hole terminating at approximately 2850'

B(3) Well originally drilled for oil production.

B(4) Existing plugging detail:

CIBP at 3580'
CIBP at 5150'
CIBP at 5260'
CIBP at 5460'

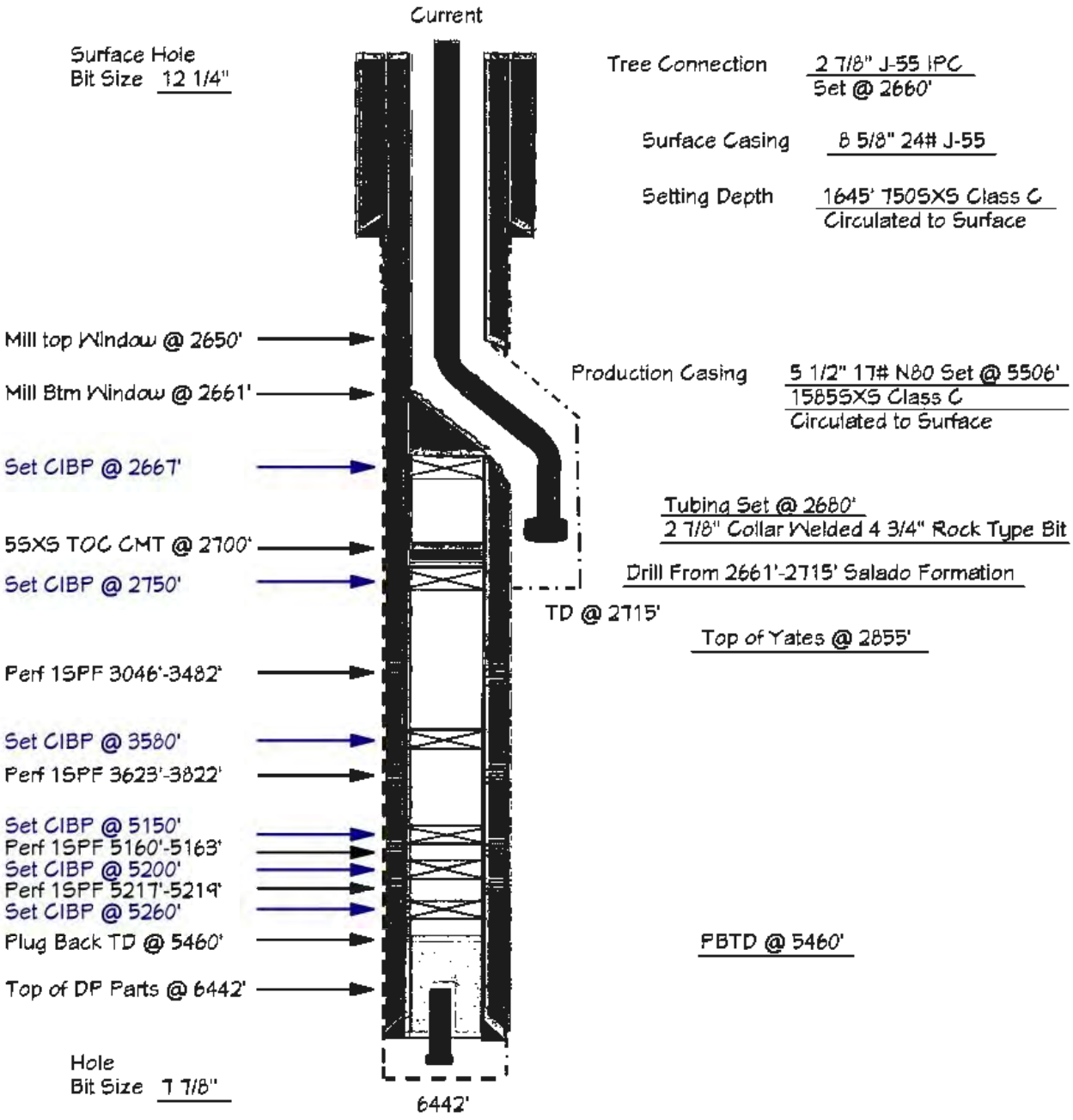
Proposed plugging detail:

CIBP at 2800' then 200' of cement for a top of cement depth of 2600'
Drill through and exit the production casing at 2600' and enter the salt formation

B(5) Depth to and name of next higher and lower oil or gas zone
Higher oil or gas zone: None
Lower oil or gas zone: 7012' to Drinkard

H.R.C. Inc.

Schubert Farms Well #1 BW-36
330 FNL, 1650 FEL, Unit (B), Sec. 25, T19S, R38E
API # 30-025-37548
Lea County, NM



Side 1

INJECTION WELL DATA SHEET

OPERATOR: HRC Inc.
WELL NAME & NUMBER: Schubert Farms Well #1 ; API 30-025-37548

WELL LOCATION:	330' FNL , 1650' FEL	B	25	19S	38E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

See Attached Above

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: **12 ¼"** Casing Size: **8 5/8"**

Cemented with: **325** sx. *or* _____ ft³

Top of Cement: **Surface** Method Determined: _____

Intermediate Casing

Hole Size: N/A Casing Size: N/A

Cemented with: _____ sx. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: **7 7/8"** Casing Size: **5 ½"**

Cemented with: **625** sx. *or* _____ ft³

Top of Cement: **Surface** Method Determined: _____

Total Depth: **8000'**

Injection Interval

_____ feet to _____

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: **2 7/8"** Lining Material: **Plastic**

Type of Packer: **N/A**

Packer Setting Depth: **N/A**

Other Type of Tubing/Casing Seal (if applicable): **N/A**

Additional Data

1. Is this a new well drilled for injection? _____Yes ___X___No

   If no. for what purpose was the well originally drilled? __Oil Production_____

   _____

2. Name of the Iujection Formation: __Salado_____

3. Name of Field or Pool (if applicable): __N/A_____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Yes, see above attached schematic

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

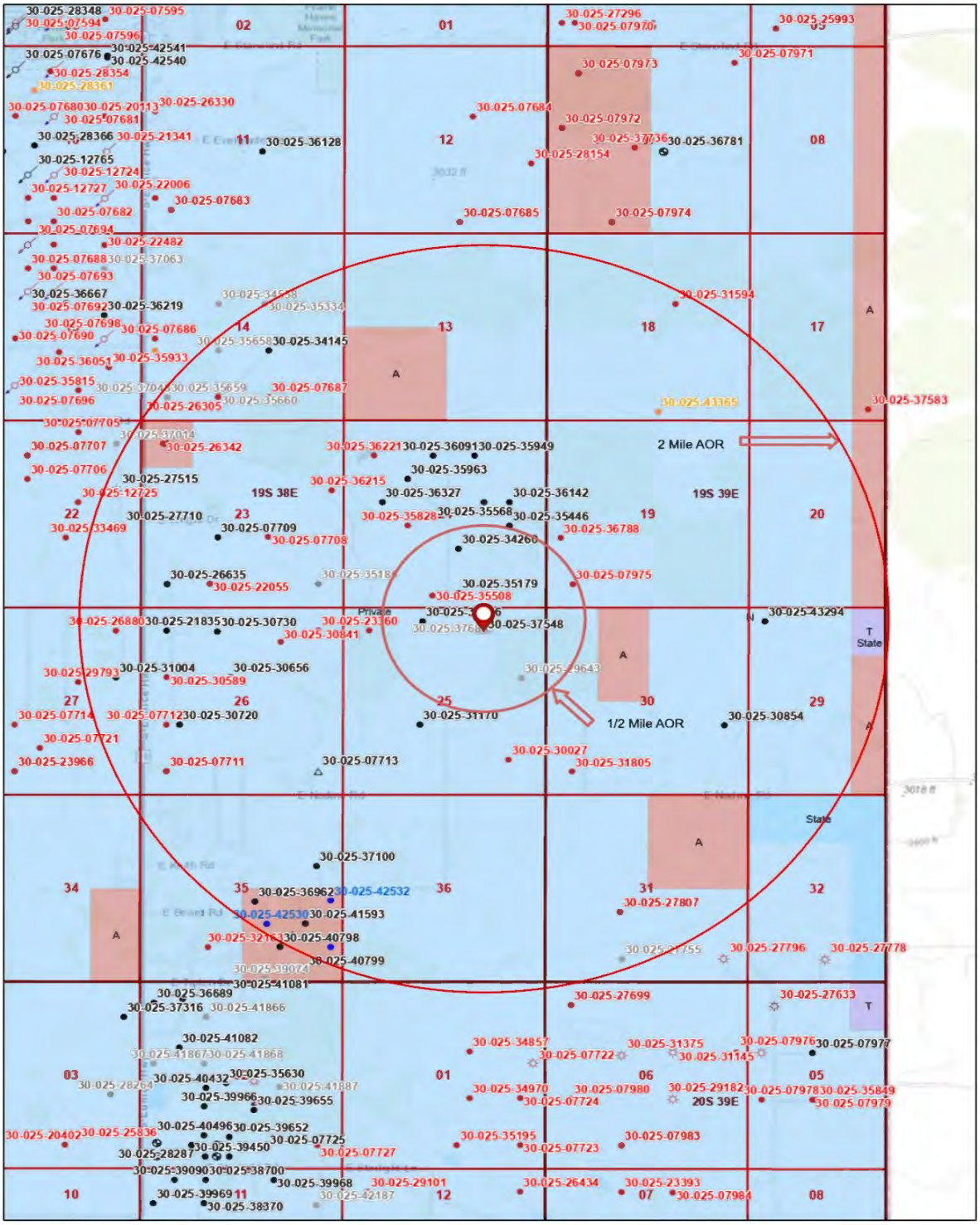
   _____

   _____

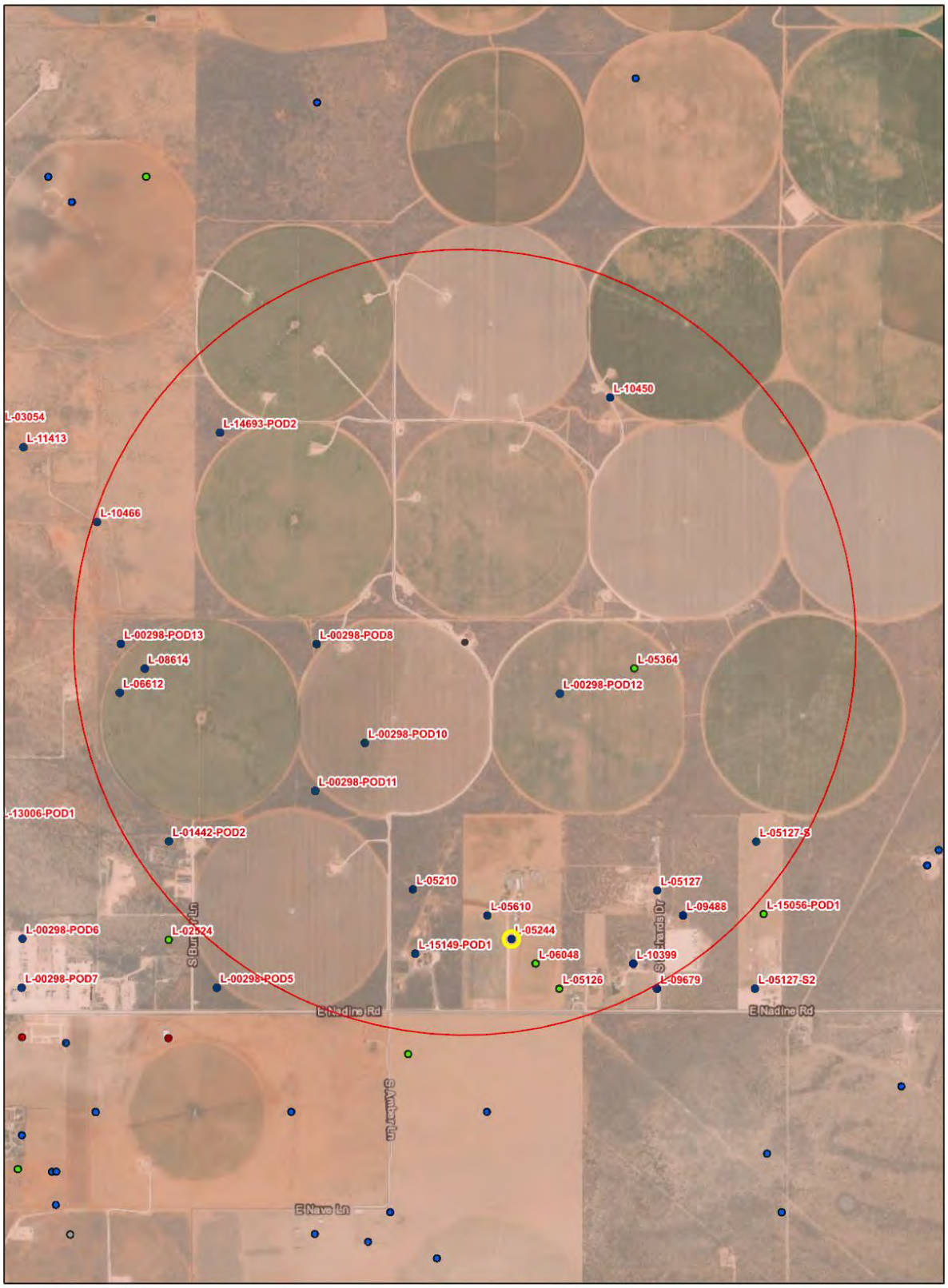
   _____

APPENDIX B

1/2 and 2 Mile AOR, BW-36 Schubert Farms #1



PODs within 1 Mile AOR, BW-36 Schubert Farms #1



5/20/2022, 3:22:17 PM

GIS WATERS PODs
- Active
- Pending
- Plugged
- Incomplete
- OSE District Boundary

Water Right Regulations
- Critical Management Area - Guidelines
- Closure Area

New Mexico State Trust Lands
- Subsurface Estate
- SiteBoundaries

1:18,056

0 0.17 0.35 0.7 mi

0 0.28 0.55 1.1 km

Esri, HERE, Garmin, (c) OpenStreetMap contributors
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community
Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

Unofficial Online Map

APPENDIX C

SCHUBERT FARMS WELL #1 (2 MILE AOR DATA SHEET)

API	Well Name	Well Type	Well Status	OGRID	OGRID Name	County	PLSS Loc. (ULSTR)	Latitude	Longitude	SPUD Yr.	Meas. Depth	Vert. Depth
30-025-21835	RUTH TERRY FURNEAUX #001	Oil	Active	256,073	J R OIL, LTD. CO.	Lea	D-26-19S-38E	32.6367	-103.1256	9999	7,868	7,868
30-025-26635	TERRY #001	Oil	Active	256,073	J R OIL, LTD. CO.	Lea	M-23-19S-38E	32.6403	-103.1256	1980	7,750	7,750
30-025-30720	LIA #001	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	L-26-19S-38E	32.6294	-103.1246	1989	7,770	7,770
30-025-07709	A L FOSTER C #001	Oil	Active	195,670	ROBERTSON RESOURCES, INC	Lea	K-23-19S-38E	32.644	-103.1213	1950	7,606	7,606
30-025-30730	TIFFANY #003	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	C-26-19S-38E	32.6366	-103.1213	1989	7,770	7,770
30-025-30656	TIFFANY #002	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	F-26-19S-38E	32.6331	-103.1203	1989	7,920	7,920
30-025-36962	PLOW BOY FEDERAL #001	Oil	Active	873	APACHE CORPORATION	Lea	J-35-19S-38E	32.6157	-103.1182	2004	7,800	7,800
30-025-42530	PLOW BOY FEDERAL #002	Oil	New	873	APACHE CORPORATION	Lea	J-35-19S-38E	32.6139	-103.1172	9999	0	0
30-025-34145	CAIN #001	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	J-14-19S-38E	32.6585	-103.117	1998	7,630	7,630
30-025-41593	WERTA FEDERAL #004	Oil	Active	873	APACHE CORPORATION	Lea	I-35-19S-38E	32.614	-103.1139	2014	7,420	7,420
30-025-37100	ROUND-UP #001	Oil	Active	873	APACHE CORPORATION	Lea	H-35-19S-38E	32.6184	-103.113	2005	7,800	7,800
30-025-31004	ALYSSA #001	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	H-27-19S-38E	32.6331	-103.1299	1990	7,750	7,750
30-025-27710	TONI #002	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	I-22-19S-38E	32.6449	-103.1293	1982	7,700	7,700
30-025-27515	TONI #001	Gas	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	H-22-19S-38E	32.6476	-103.1299	1981	8,000	8,000
30-025-07713	A N ETZ #001	SWD	Active	373,626	Permian Water Solutions, LLC	Lea	P-26-19S-38E	32.6258	-103.1128	1958	8,586	8,586
30-025-42532	WERTA FEDERAL #006	Oil	New	873	APACHE CORPORATION	Lea	I-35-19S-38E	32.6158	-103.1117	9999	0	0
30-025-42531	WERTA FEDERAL #005	Oil	New	873	APACHE CORPORATION	Lea	P-35-19S-38E	32.6121	-103.1117	9999	0	0
30-025-36327	DIAMOND #004	Oil	Active	330,423	Extex Operating Company	Lea	E-24-19S-38E	32.6467	-103.1074	2003	7,750	7,750
30-025-35963	DIAMOND #001H	Oil	Active	330,423	Extex Operating Company	Lea	F-24-19S-38E	32.6485	-103.1052	2002	7,750	7,079
30-025-35906	TOPAZ #001	Oil	Active	330,423	Extex Operating Company	Lea	C-25-19S-38E	32.6374	-103.104	2002	7,791	7,791
30-025-31170	NADINE 25 #001	Oil	Active	21,355	SOUTHWEST ROYALTIES INC	Lea	K-25-19S-38E	32.6294	-103.1042	1991	9,850	9,850
30-025-36091	DIAMOND #002	Oil	Active	330,423	Extex Operating Company	Lea	C-24-19S-38E	32.6503	-103.1031	2003	7,750	7,750
30-025-35949	SAPPHIRE #002	Oil	Active	330,423	Extex Operating Company	Lea	B-24-19S-38E	32.6503	-103.0996	2002	7,750	7,750
30-025-35179	EMERALD #002H	Oil	Active	330,423	Extex Operating Company	Lea	O-24-19S-38E	32.6396	-103.1009	2000	7,865	7,008
30-025-34260	EMERALD #001	Oil	Active	330,423	Extex Operating Company	Lea	J-24-19S-38E	32.643	-103.1009	2000	7,900	7,900
30-025-37548	SCHUBERT FARMS #001	Brine	Active	131,652	HRC INC	Lea	B-25-19S-38E	32.6376	-103.0988	2005	6,442	6,442
30-025-35446	EMERALD #003	Oil	Active	330,423	Extex Operating Company	Lea	I-24-19S-38E	32.6448	-103.0966	2001	8,000	8,000
30-025-35568	SAPPHIRE #001	Oil	Active	330,423	Extex Operating Company	Lea	G-24-19S-38E	32.6467	-103.0988	2001	8,000	8,000
30-025-36142	SAPPHIRE #003	Oil	Active	330,423	Extex Operating Company	Lea	H-24-19S-38E	32.6467	-103.0966	2003	7,850	7,850
30-025-30854	CARTER #001	Oil	Active	330,447	Contango Resources, Inc.	Lea	I-30-19S-39E	32.6294	-103.0784	1990	7,900	7,900
30-025-43294	JADE 19 30 29 STATE COM #003H	Oil	Active	329,727	Sozo Natural Resources LLC	Lea	O-29-19S-39E	32.6374	-103.075	2017	13,265	7,615
30-025-43365	SCHUBERT 18 #004H	Oil	Temporary Abandonment	329,727	Sozo Natural Resources LLC	Lea	O-18-19S-39E	32.6537	-103.084	2016	8,940	4,574
30-025-35828	RUBY #002	Oil	Plugged (not released)	240,974	LEGACY RESERVES OPER., LP	Lea	K-24-19S-38E	32.6449	-103.1052	2002	7,800	7,800
30-025-35508	RUBY #001	Oil	Plugged (not released)	240,974	LEGACY RESERVES OPER., LP	Lea	N-24-19S-38E	32.6394	-103.1031	2001	8,000	8,000
30-025-36144	PHILLIPS #001	Oil	Plugged (not released)	240,974	LEGACY RESERVES OPER., LP	Lea	E-19-19S-39E	32.6476	-103.0923	2003	7,708	7,708
30-025-07712	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	L-26-19S-38E	32.6294	-103.1256	1900	0	9,670
30-025-30589	TIFFANY #001	Oil	Plugged (site released)	12,024	JOHN H HENDRIX CORP	Lea	E-26-19S-38E	32.6331	-103.1256	1989	7,700	7,700
30-025-07711	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	M-26-19S-38E	32.6258	-103.1256	1900	0	58
30-025-22055	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	N-23-19S-38E	32.6403	-103.122	1900	0	7,924
30-025-26305	CAIN #002	Oil	Plugged (site released)	147,179	CHESAPEAKE OPER., INC.	Lea	N-14-19S-38E	32.6548	-103.1213	1999	5,025	5,025
30-025-07708	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	J-23-19S-38E	32.644	-103.117	1900	0	8,020
30-025-07687	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	O-14-19S-38E	32.6548	-103.117	1900	0	7,613
30-025-30841	LIA #002	Oil	Plugged (site released)	13,185	LBO NEW MEXICO INC	Lea	B-26-19S-38E	32.6358	-103.116	1990	6,656	6,656
30-025-23360	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	A-26-19S-38E	32.6367	-103.1128	1900	0	9,842
30-025-26880	MCNEIL #001	Oil	Plugged (site released)	37,139	GLADSTONE RESOURCES INC	Lea	A-27-19S-38E	32.6367	-103.1299	9999	7,800	7,800
30-025-36215	MERLOT #001	Oil	Plugged (site released)	4,323	CHEVRON U S A INC	Lea	H-23-19S-38E	32.6476	-103.1117	2003	7,800	7,800
30-025-07710	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	D-25-19S-38E	32.6367	-103.1085	1900	0	7,610
30-025-36221	DIAMOND #003	Oil	Plugged (site released)	240,974	LEGACY RESERVES OPER., LP	Lea	D-24-19S-38E	32.6503	-103.1081	2003	7,750	7,750
30-025-26342	NADINE FEDERAL #001	Oil	Plugged (site released)	4,323	CHEVRON U S A INC	Lea	D-23-19S-38E	32.6512	-103.1259	1979	7,950	7,950
30-025-30027	EMERALD #001	Oil	Plugged (site released)	12,024	JOHN H HENDRIX CORP	Lea	P-25-19S-38E	32.6267	-103.0967	1987	8,200	8,200
30-025-36788	ROBINSON #001	Oil	Plugged (site released)	21,602	TRILOGY OPERATING INC	Lea	L-19-19S-39E	32.6439	-103.0923	2004	7,900	7,900
30-025-31805	CHANCE #001	Oil	Plugged (site released)	8,079	FORTSON OIL CO	Lea	M-30-19S-39E	32.6258	-103.0913	9999	9,999	7,615
30-025-07975	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	M-19-19S-39E	32.6403	-103.0913	1900	0	10,580
30-025-27807	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	K-31-19S-39E	32.6148	-103.0873	1900	0	3,248
30-025-31594	SELMAN #001	Oil	Plugged (site released)	990	ARCO PERMIAN	Lea	G-18-19S-39E	32.6621	-103.0826	9999	9,999	3,400
30-025-26342	NADINE FEDERAL #001	Oil	Plugged (site released)	4,323	CHEVRON U S A INC	Lea	D-23-19S-38E	32.6512	-103.1259	1979	7,950	7,950
30-025-35658	CAIN #004	Oil	Cancelled	25,482	XERIC OIL & GAS CORP	Lea	K-14-19S-38E	32.6584	-103.1213	9999	0	0
30-025-35660	CAIN #006	Oil	Cancelled	25,482	XERIC OIL & GAS CORP	Lea	N-14-19S-38E	32.6552	-103.1213	9999	0	0
30-025-35186	CABO WABO #001	Oil	Cancelled	25,482	XERIC OIL & GAS CORP	Lea	P-23-19S-38E	32.6403	-103.1128	9999	0	0
30-025-37685	SCHUBERT FARMS #001Y	Oil	Cancelled	21,602	TRILOGY OPERATING INC	Lea	25-19S-38E	32.6376	-103.0992	9999	0	0
30-025-29643	PRE-ONGARD WELL #001	Oil	Cancelled	214,263	PRE-ONGARD WELL OPER.	Lea	H-25-19S-38E	32.633	-103.0956	9999	0	0
30-025-27755	PRE-ONGARD WELL #001	Oil	Cancelled	214,263	PRE-ONGARD WELL OPER.	Lea	N-31-19S-39E	32.6112	-103.0871	9999	0	0
30-025-37048	CAIN #005	Oil	Cancelled	147,179	CHESAPEAKE OPER., INC.	Lea	M-14-19S-38E	32.6548	-103.1256	9999	0	0
30-025-35659	CAIN #005	Oil	Cancelled	25,482	XERIC OIL & GAS CORP	Lea	M-14-19S-38E	32.6548	-103.1256	9999	0	0

Denotes New Well from Previous Permit AOR

SCHUBERT FARMS WELL #1 (1/2 MILE AOR DATA SHEET)

API	Well Name	Well Type	Well Status	OGRID	OGRID Name	County	PLSS Loc. (ULSTR)	Latitude	Longitude	SPUD Yr.	Meas. Depth	Vert. Depth
30-025-35906	TOPAZ #001	Oil	Active	330,423	Extex Operating Company	Lea	C-25-19S-38E	32.6374	-103.104	2002	7,791	7,791
30-025-35179	EMERALD #002H	Oil	Active	330,423	Extex Operating Company	Lea	O-24-19S-38E	32.6396	-103.1009	2000	7,865	7,008
30-025-34260	EMERALD #001	Oil	Active	330,423	Extex Operating Company	Lea	J-24-19S-38E	32.643	-103.1009	2000	7,900	7,900
30-025-37548	SCHUBERT FARMS #001	Brine	Active	131,652	HRC INC	Lea	B-25-19S-38E	32.6376	-103.0988	2005	6,442	6,442
30-025-35508	RUBY #001	Oil	Plugged (not released)	240,974	LEGACY RESERVES OPER., LP	Lea	N-24-19S-38E	32.6394	-103.1031	2001	8,000	8,000
30-025-07975	PRE-ONGARD WELL #001	Oil	Plugged (site released)	214,263	PRE-ONGARD WELL OPER.	Lea	M-19-19S-39E	32.6403	-103.0913	1900	0	10,580
30-025-37685	SCHUBERT FARMS #001Y	Oil	Cancelled	21,602	TRILOGY OPERATING INC	Lea	25-19S-38E	32.6376	-103.0992	9999	0	0
30-025-29643	PRE-ONGARD WELL #001	Oil	Cancelled	214,263	PRE-ONGARD WELL OPER.	Lea	H-25-19S-38E	32.633	-103.0956	9999	0	0

SCHUBERT FARMS WELL #1 (POD's WITHIN 1 MILE DATA SHEET)

Display Name	Use	Use of Well	Status	POD Status	Owner Last Name	Owner First Name	Well Depth	Depth to Water	Distance to Center	UTM Easting	UTM Northing	Well Start Date	Well Finish Date
L 05244	IRR	IRR	LIC	ACT	PRATHER	PAUL	107	60	0.765	678553	3611496	Tue Jun 23 1964	Thu Jun 25 1964
L 10060	IRR	null	PMT	ACT	HEADSTREAM	TRACY	115	58	0.838	678654	3611397	Wed Sep 01 1993	Thu Sep 02 1993
L 05364	IRR	null	CAN	PEN	JOHNSON	CHRISTINE	null	null	0.438	679038	3612613	Wed Dec 31 1969	Wed Dec 31 1969
L 05210	COM	IRR	PMT	ACT	COMPARY III	ANDY R.	100	56	0.643	678144	3611692	Wed May 19 1965	Sat May 22 1965
L 05126	STK	null	PMT	PEN	EDWARDS	DEWARD D	null	null	0.914	678753	3611296	Wed Dec 31 1969	Wed Dec 31 1969
L 05610	DOL	null	PMT	ACT	COMPARY III	ANDY R	105	65	0.698	678452	3611591	Sun May 16 1965	Mon May 17 1965
L 06048	STK	null	PMT	PEN	HOLMES	GLENN	null	null	0.838	678654	3611397	Wed Dec 31 1969	Wed Dec 31 1969
L 06612	DOM	null	EXP	ACT	MORAN OIL PROD & DRILLING	null	125	80	0.891	676924	3612476	Fri Nov 14 1969	Sun Nov 16 1969
L 05127	IRR	null	PMT	ACT	BAGGETT	ROY D.	null	null	0.801	679149	3611706	Wed Jul 01 1964	Wed Jul 01 1964
L 05127 S	IRR	null	PMT	ACT	EDWARDS	DEWARD D.	null	null	0.901	679552	3611913	Fri May 14 1965	Fri May 14 1965
L 10450	STK	null	PMT	ACT	S & H ENTERPRISES INC.	null	132	null	0.725	678919	3613721	Wed Oct 20 1993	Fri Oct 22 1993
L 10466	STK	null	PMT	ACT	WRIGHT	CLARA	100	100	0.988	676818	3613174	Wed Feb 08 1995	Tue Feb 14 1995
L 05127 POD8	IRR	null	TRN	ACT	BAGGETT	ANITA	117	90	0.892	679257	3611605	Fri Oct 07 1983	Sun Oct 09 1983
L 05127 POD9	IRR	null	LIC	ACT	HOPPER	TOM	115	58	0.925	679056	3611404	Thu Jun 09 1988	Fri Jun 24 1988
L 10399	DOM	null	PMT	ACT	HOPPER	CAROL	115	null	0.925	679056	3611404	Mon Jun 27 1994	Sat Jul 02 1994
L 00298 POD8	IRR	IRRIGATION	LIC	ACT	HOOPES	PATRICIA T.	143	70	0.379	677729	3612690	Thu May 04 1995	Sat May 06 1995
L 01442 POD2	IRR	IRRIGATION	LIC	ACT	S & H ENTERPRISES INC.	null	138	68	0.91	677137	3611871	Sun Apr 10 1994	Thu Apr 14 1994
L 00298 POD10	IRR	IRRIATION	PMT	ACT	CITY OF HOBBS	null	141	81	0.362	677935	3612288	Wed Apr 30 1997	Sat May 03 1997
L 00298 POD11	IRR	IRRIGATION	PMT	ACT	S & H ENTERPRISES	null	147	89	0.538	677735	3612088	Sun Apr 27 1997	Tue Apr 29 1997
L 00298 POD12	IRR	null	LIC	ACT	HOOPES	PATRICIA T.	141	70	0.276	678734	3612505	Tue Apr 22 1997	Sat Apr 26 1997
L 00298 POD13	IRR	IRRIGATION	PMT	ACT	CITY OF HOBBS	null	161	121	0.879	676924	3612676	Sun Apr 20 1997	Tue Apr 22 1997
L 09488	DOM	null	PMT	ACT	HEMMINGSON	LOREN	112	80	0.892	679257	3611605	Sat May 26 1984	Sat May 26 1984
L 08614	STK	null	PMT	ACT	ESTATE OF MILLARD DECK	null	140	70	0.821	677025	3612577	Sun Dec 13 1981	Wed Dec 16 1981
L 14693 POD2	MON	null	PMT	ACT	SCHUBERT CONSTRUCTION	null	125	76	0.822	677316.8	3613548	Mon Jun 03 2019	Sat Jun 08 2019
L 15149 POD1	DOM	null	PMT	ACT	COMPARY III	ANDY R	108	76	0.803	678158	3611428.6	Thu May 13 2021	Fri May 14 2021

APPENDIX D

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT FARMS #1 Project Manager: BEN DONAHUE Fax To:	Reported: 12-Apr-22 16:15

FRESH WATER

H221319-01 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories										
Inorganic Compounds										
Alkalinity, Bicarbonate	**254**		5.00	mg/L	1	2040415	GM	04-Apr-22	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	2040415	GM	04-Apr-22	310.1	
Chloride*	**450**		4.00	mg/L	1	2040418	AC	05-Apr-22	4500-Cl-B	
Conductivity*	**2810**		1.00	umhos/cm @ 25°C	1	2040417	GM	04-Apr-22	120.1	
pH*	**7.26**		0.100	pH Units	1	2040417	GM	04-Apr-22	150.1	
Temperature °C	**23.3**			pH Units	1	2040417	GM	04-Apr-22	150.1	
Sulfate*	**529**		125	mg/L	12.5	2040416	GM	06-Apr-22	375.4	
TDS*	**1780**		5.00	mg/L	1	2040104	GM	05-Apr-22	160.1	
Alkalinity, Total*	**208**		4.00	mg/L	1	2040415	GM	04-Apr-22	310.1	
Green Analytical Laboratories										
Total Recoverable Metals by ICP (E200.7)										
Calcium*	**246**		0.500	mg/L	5	B220889	AES	08-Apr-22	EPA200.7	
Magnesium*	**77.2**		0.500	mg/L	5	B220889	AES	08-Apr-22	EPA200.7	
Potassium*	**8.99**	0.888	5.00	mg/L	5	B220889	AES	08-Apr-22	EPA200.7	
Sodium*	**230**		5.00	mg/L	5	B220889	AES	08-Apr-22	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

APPENDIX E

Capitan Corporation

Radial Cement Bond Gamma Ray CCL Log

Company H.R.C. Inc.
Well Schubert Farms #1
Field ---
County Lea State New Mexico
Location: API # : 30-025-37548
330' FNL & 1650' FEL
Section 25, Township 19S, Range 38E
SEC TWP RGE

Other Services: ---

Permanent Datum: Ground Level Elevation: 3580'
Log Measured From: KB APD
Drilling Measured From: KB

Elevation: K.B. D.F. G.L. 3580'

Company	H.R.C. Inc.
Well	Schubert Farms #1
Field	--
County	Lea
State	New Mexico

Date	06-21-2016
Run Number	One
Depth Driller	8000'
Depth Logger	2750'
Bottom Logged Interval	2748'
Top Log Interval	Surface
Open Hole Size	7 5/8"
Type Fluid	Water
Density / Viscosity	-
Max. Recorded Temp.	-
Estimated Cement Top	Surface
Time Well Ready	On Arrival
Time Logger on Bottom	See Log
Equipment Number	WL-826
Location	Hobbs, New Mexico
Recorded By	D. Canham
Witnessed By	Mr. Gary Schubert

Borehole Record

Run Number	Bit	From	To
One	12 1/4"	Surface	1600'
Two	7 7/8"	1600'	8000'

Tubing Record

	Size	Weight	From	To

Casing Record

	Size	Wgt/Ft	Top	Bottom
Surface String	8 5/8"	24#	Surface	1600'
Prot. String				
Production String	5 1/2"	17#	Surface	8000'
Liner				

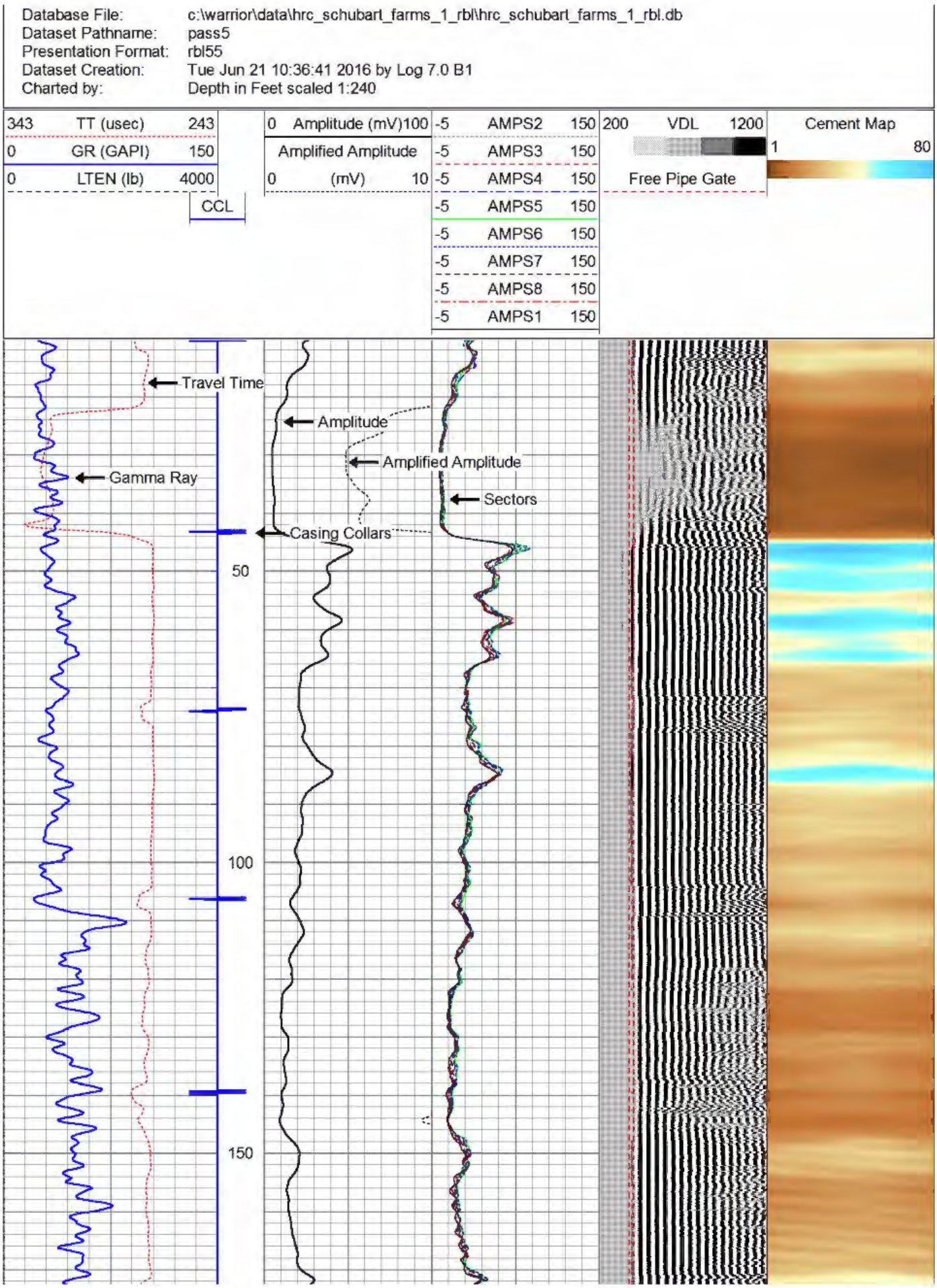
<<< Fold Here >>>

Comments

**********Thank you for using Capitan Corporation**********
No Correlation log Provided

Capitan Corporation

Main Pass 5"-100' (1000 PSI)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0 GR (GAPI) 150
0 LTEN (lb) 4000
CCL
0 Amplitude (mV) 100
Amplified Amplitude
0 (mV) 10
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-5 AMPS3 150
-5 AMPS4 150
-5 AMPS5 150
-5 AMPS6 150
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-5 AMPS1 150
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Amplitude
Amplified Amplitude
Sectors
Casing Collars
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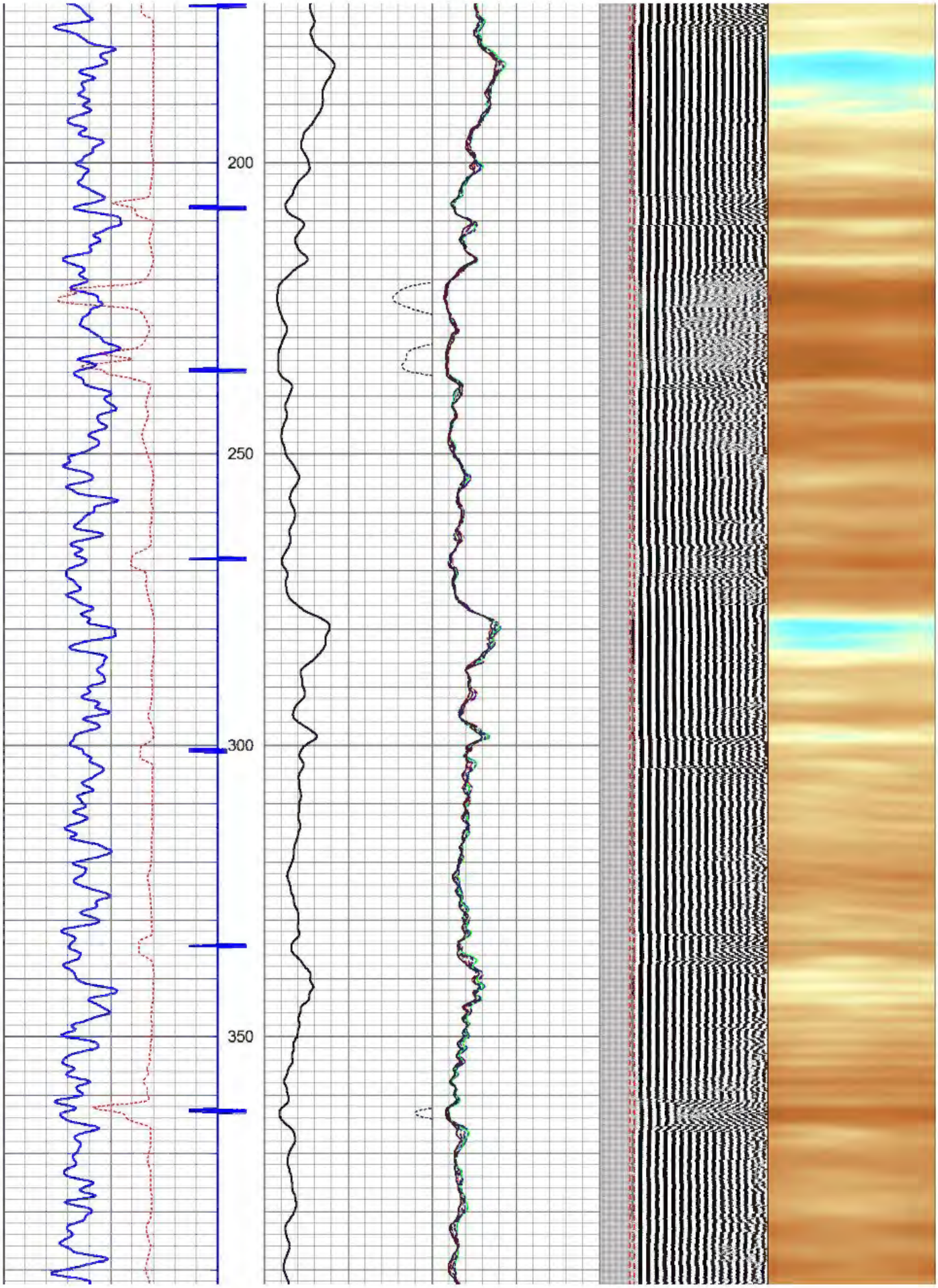
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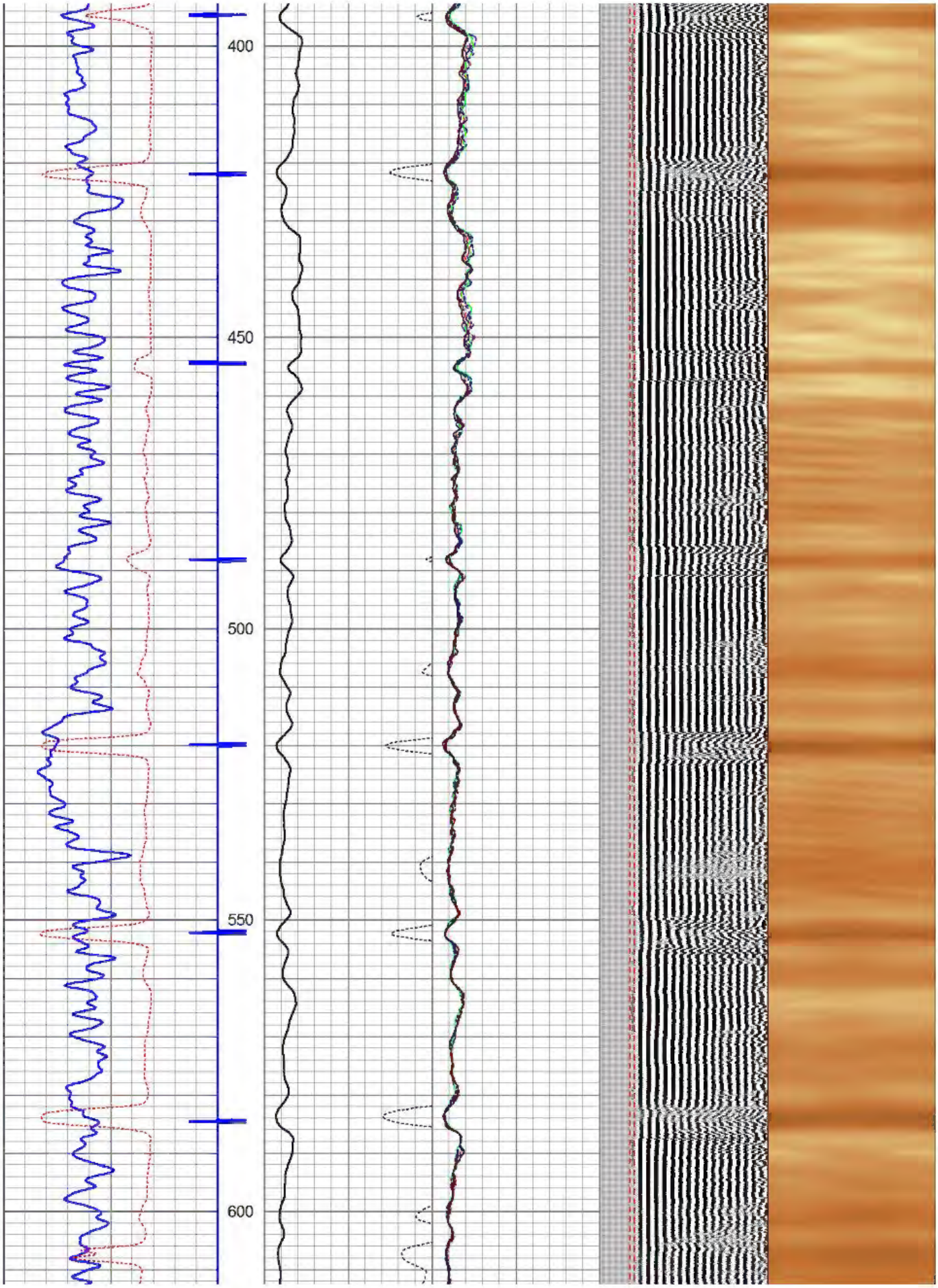
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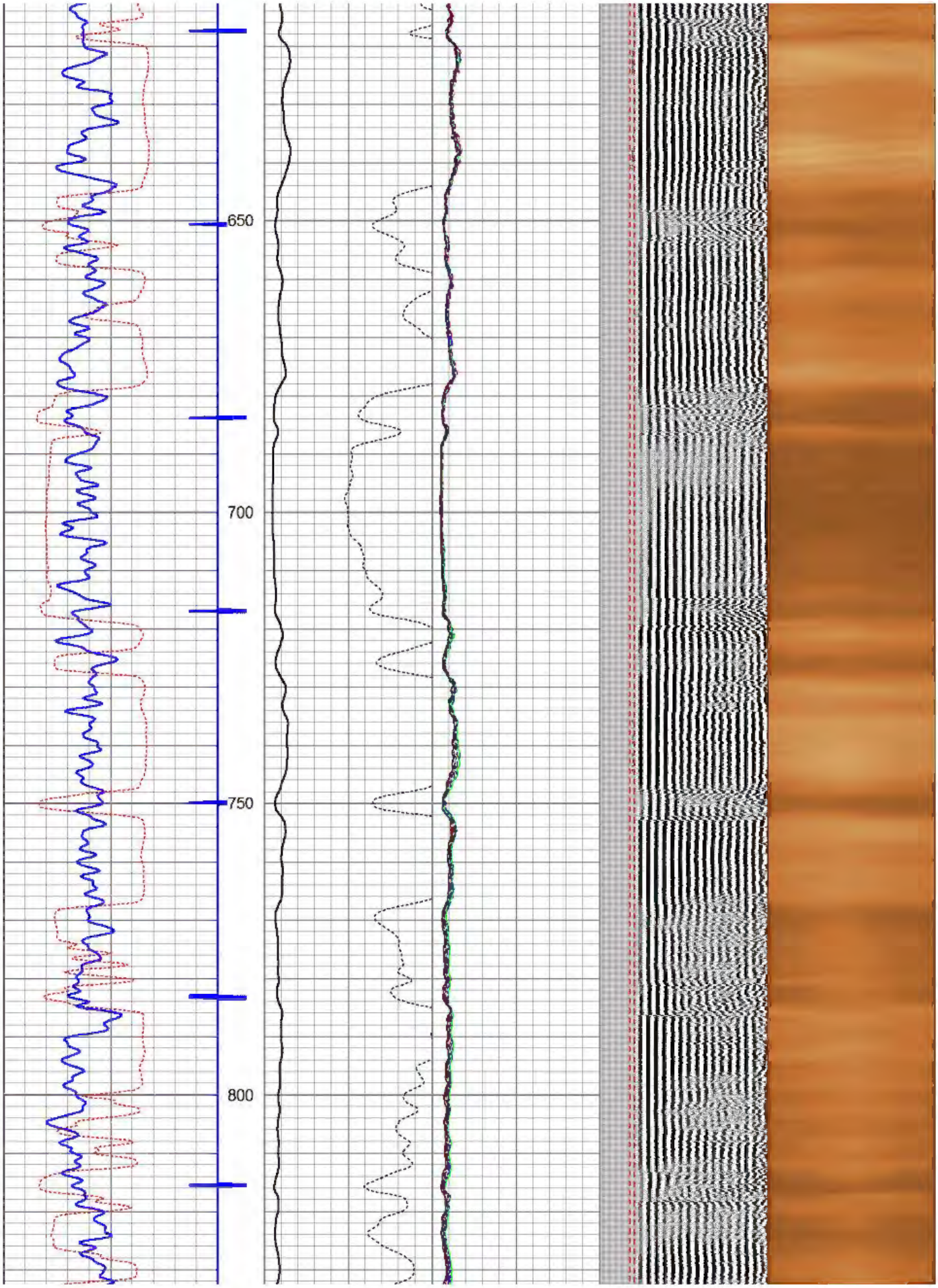
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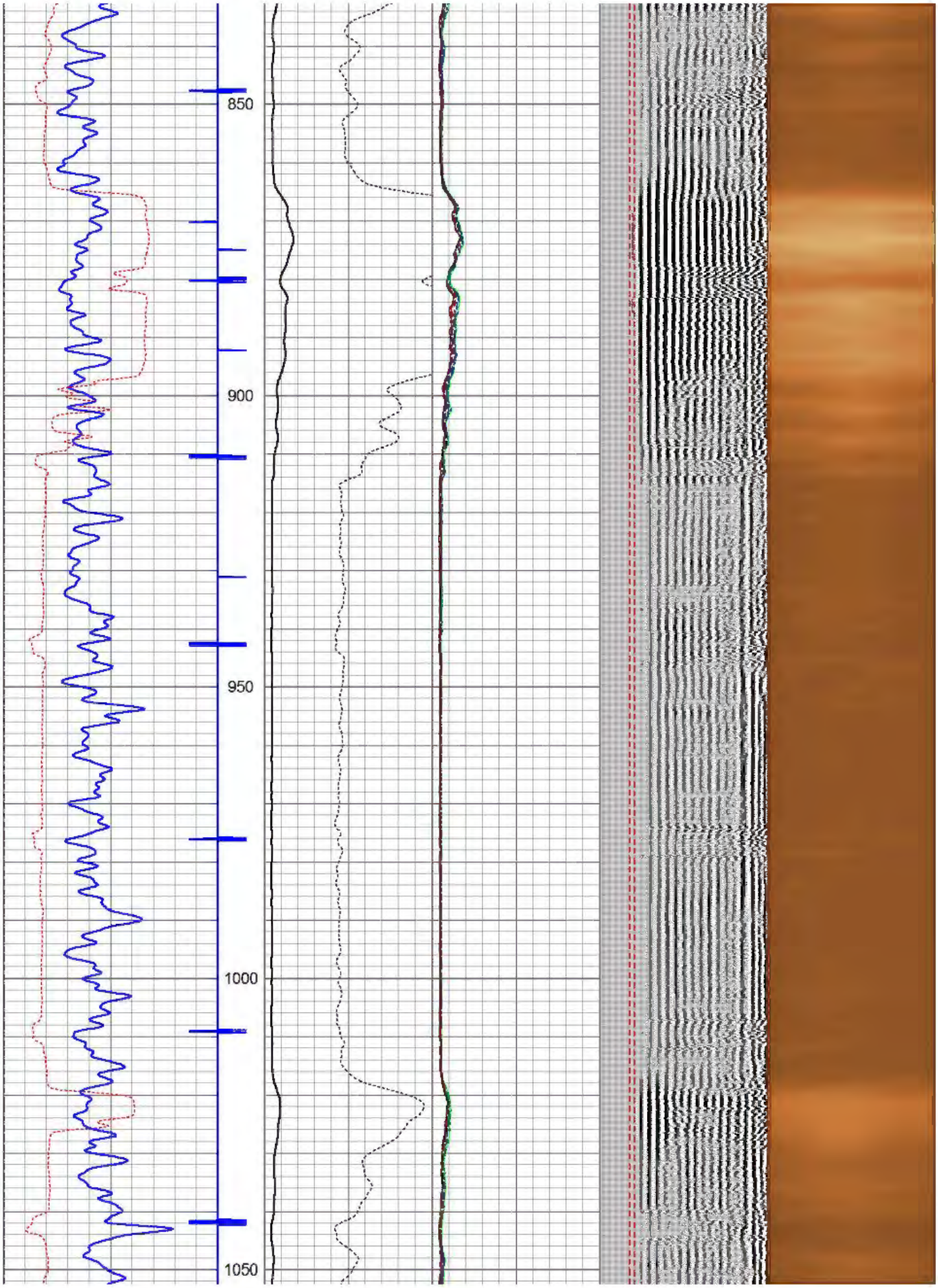
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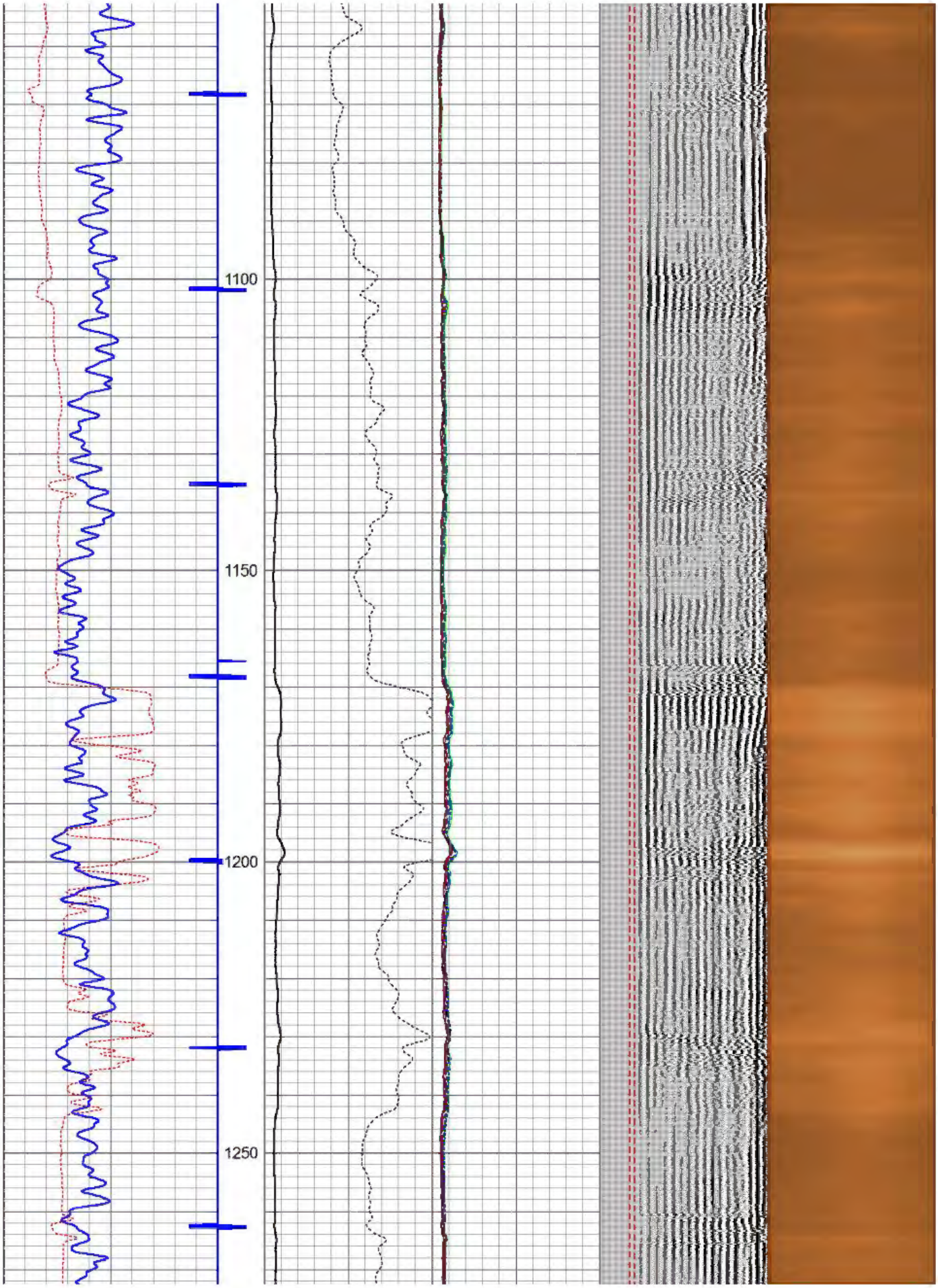
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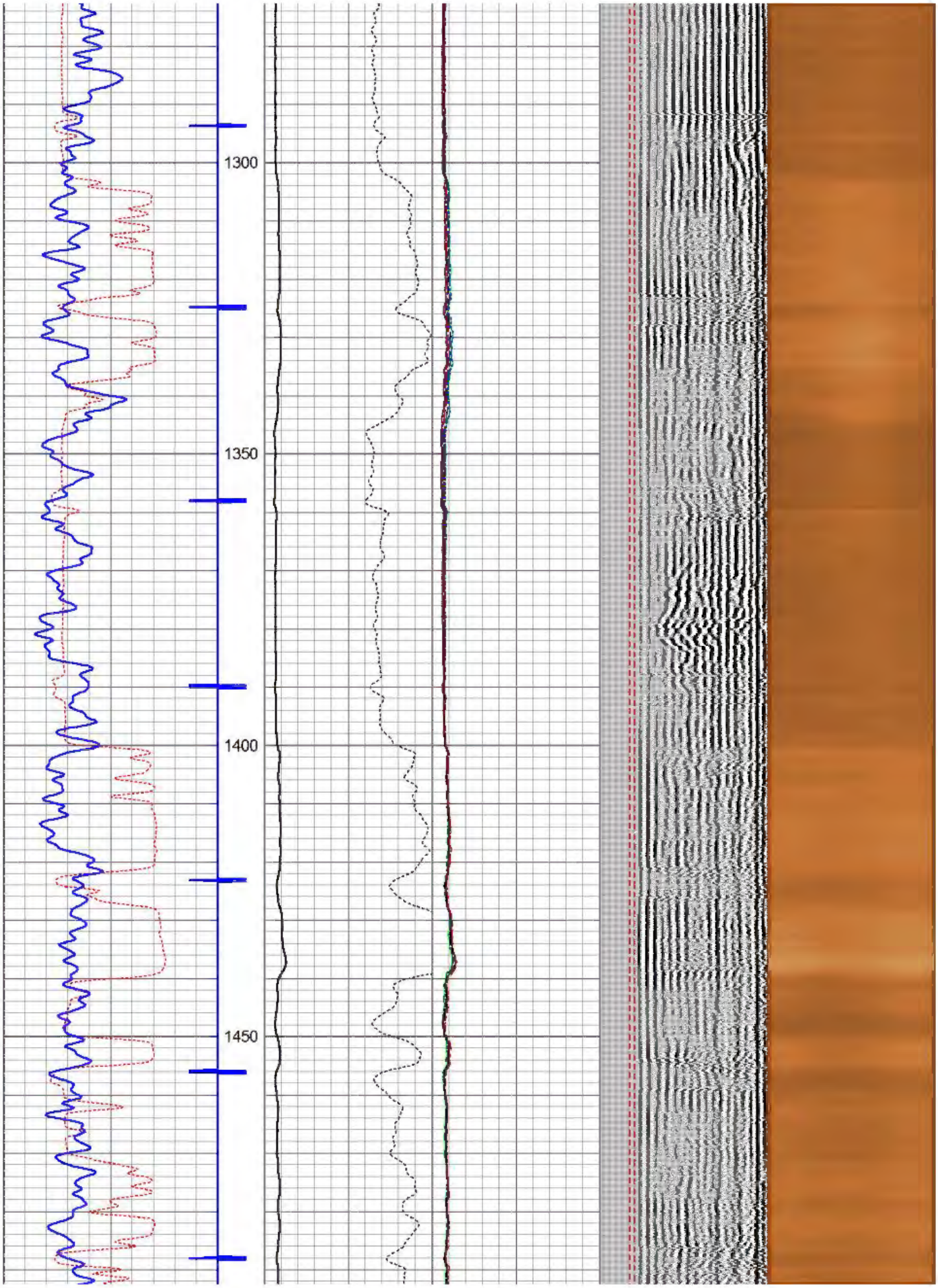
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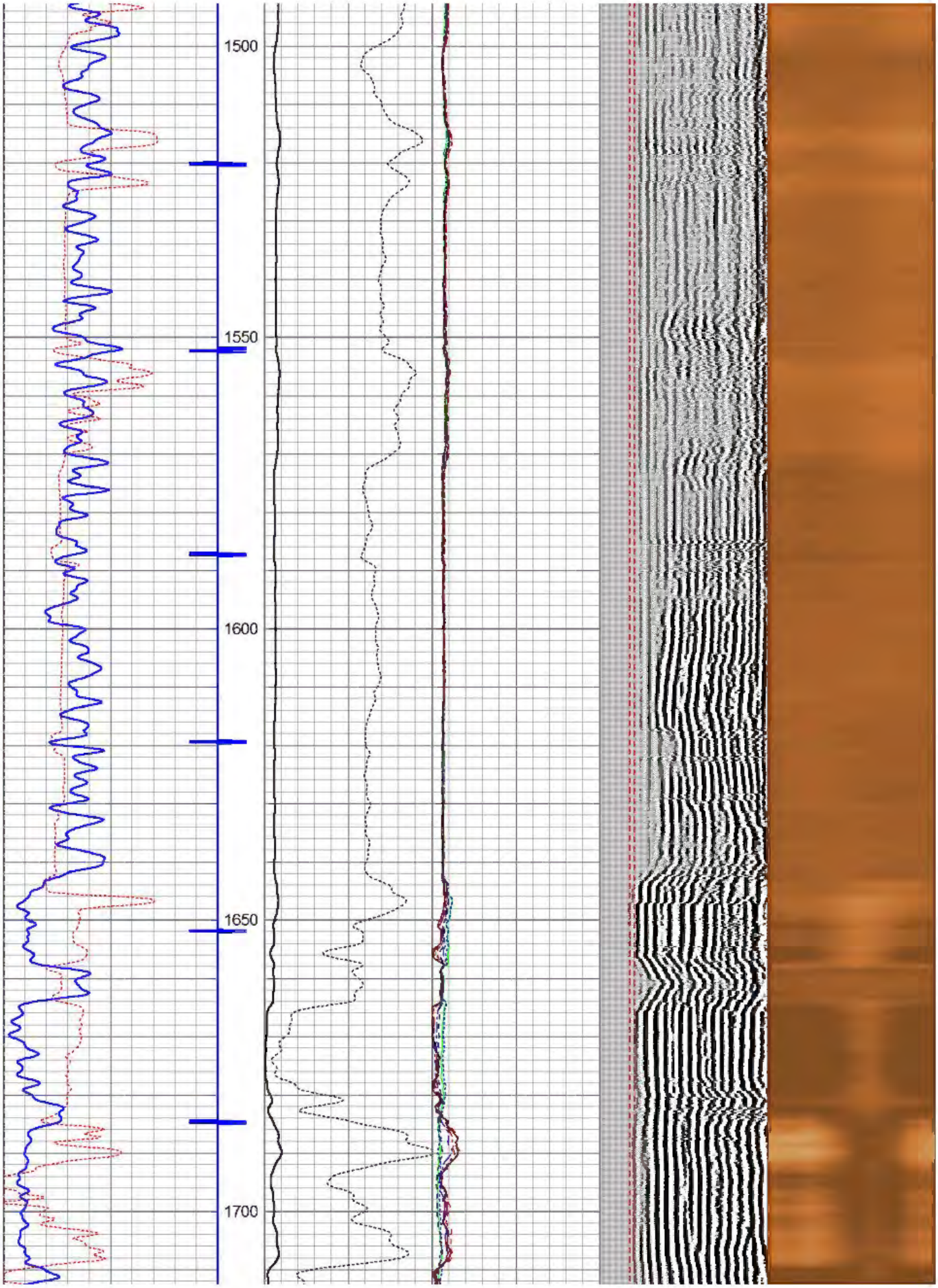
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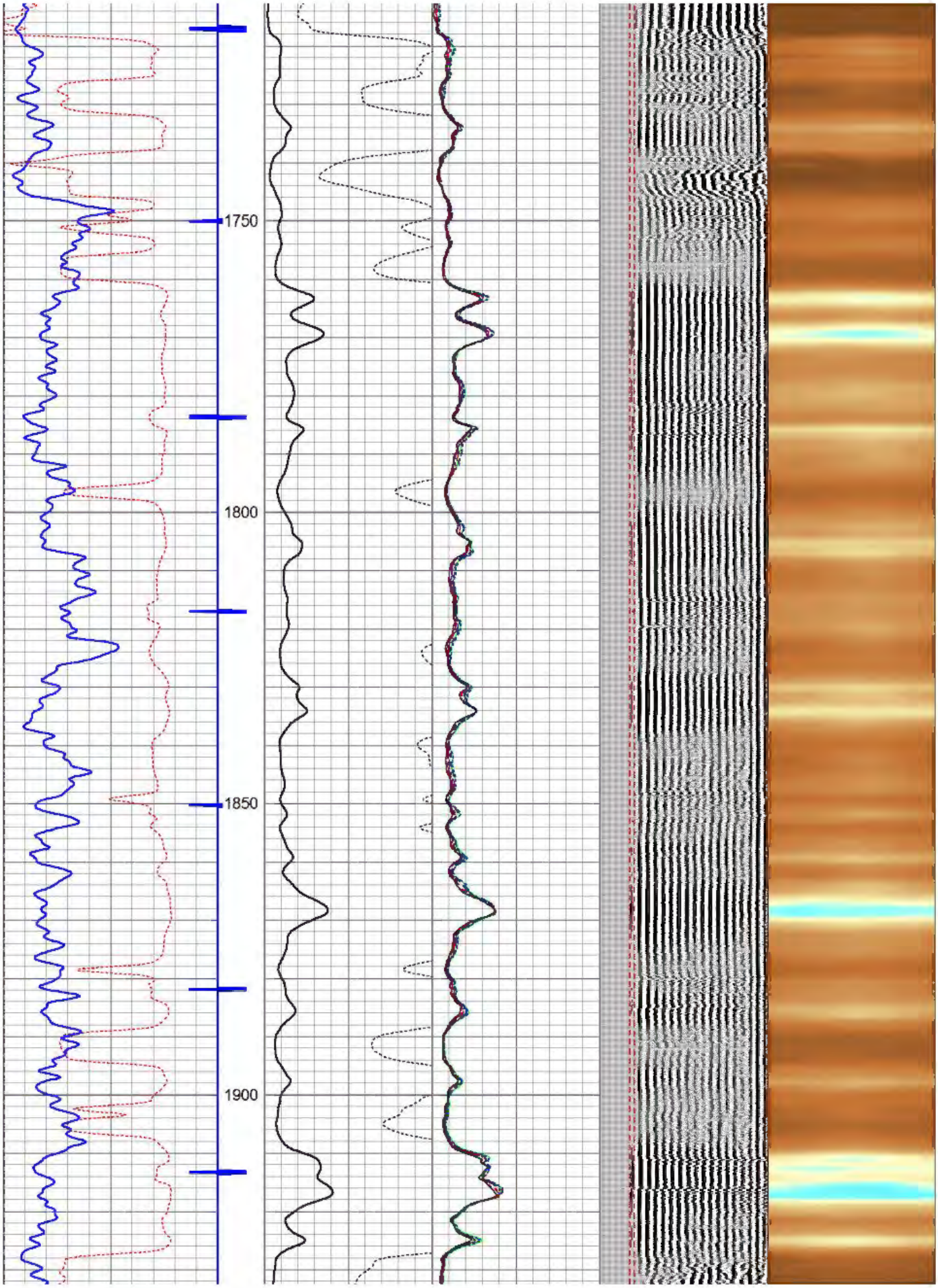
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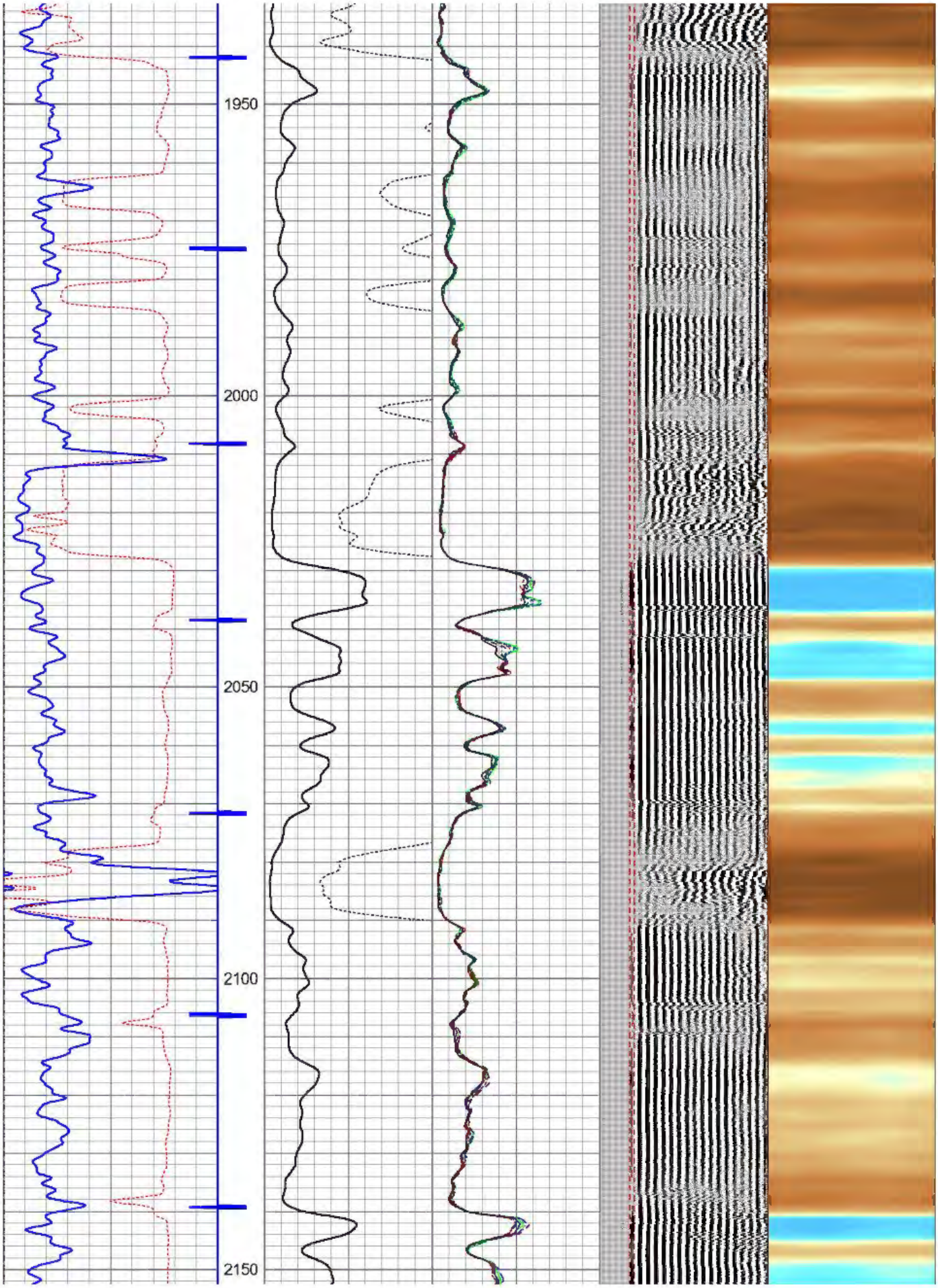
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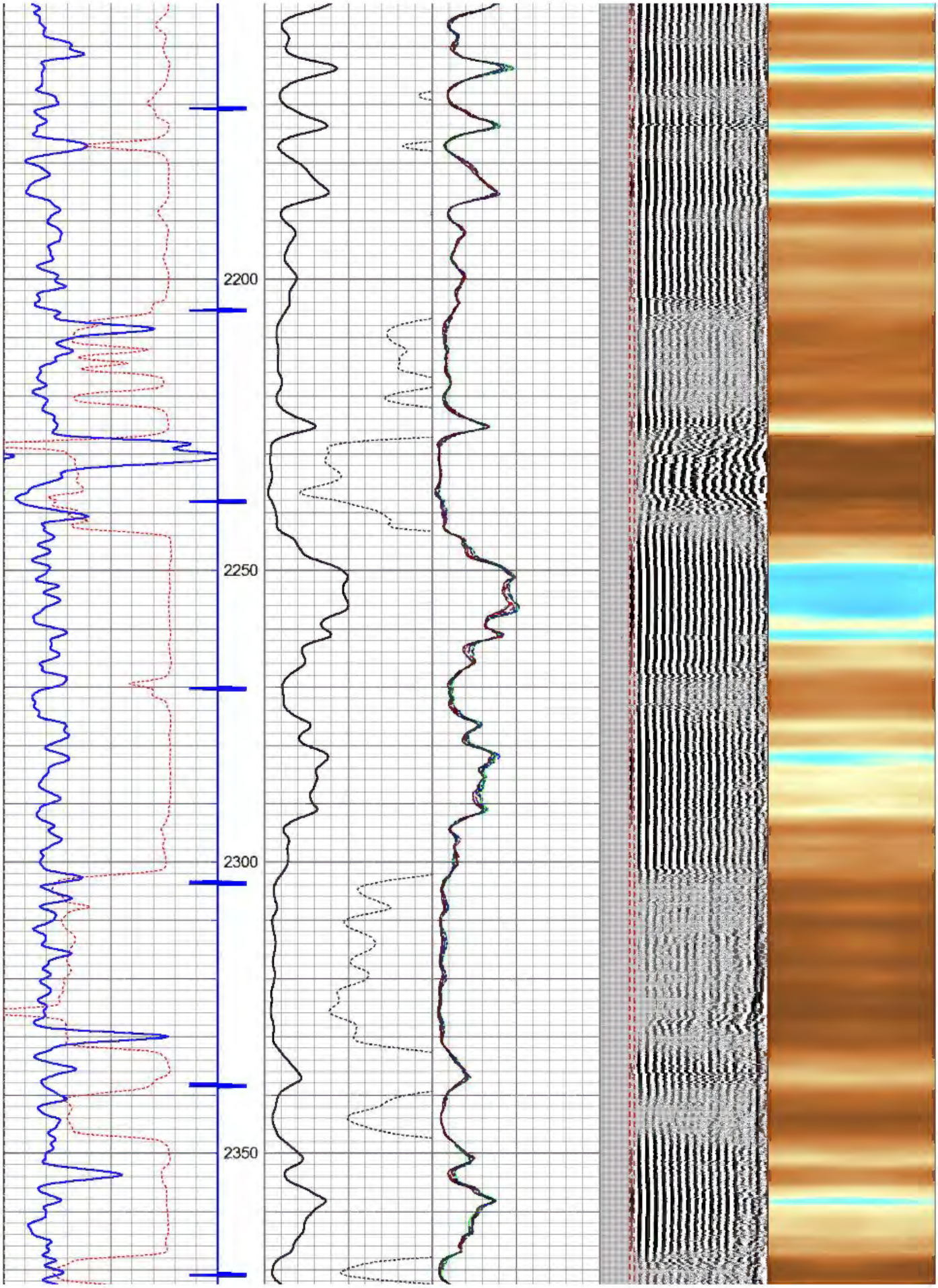
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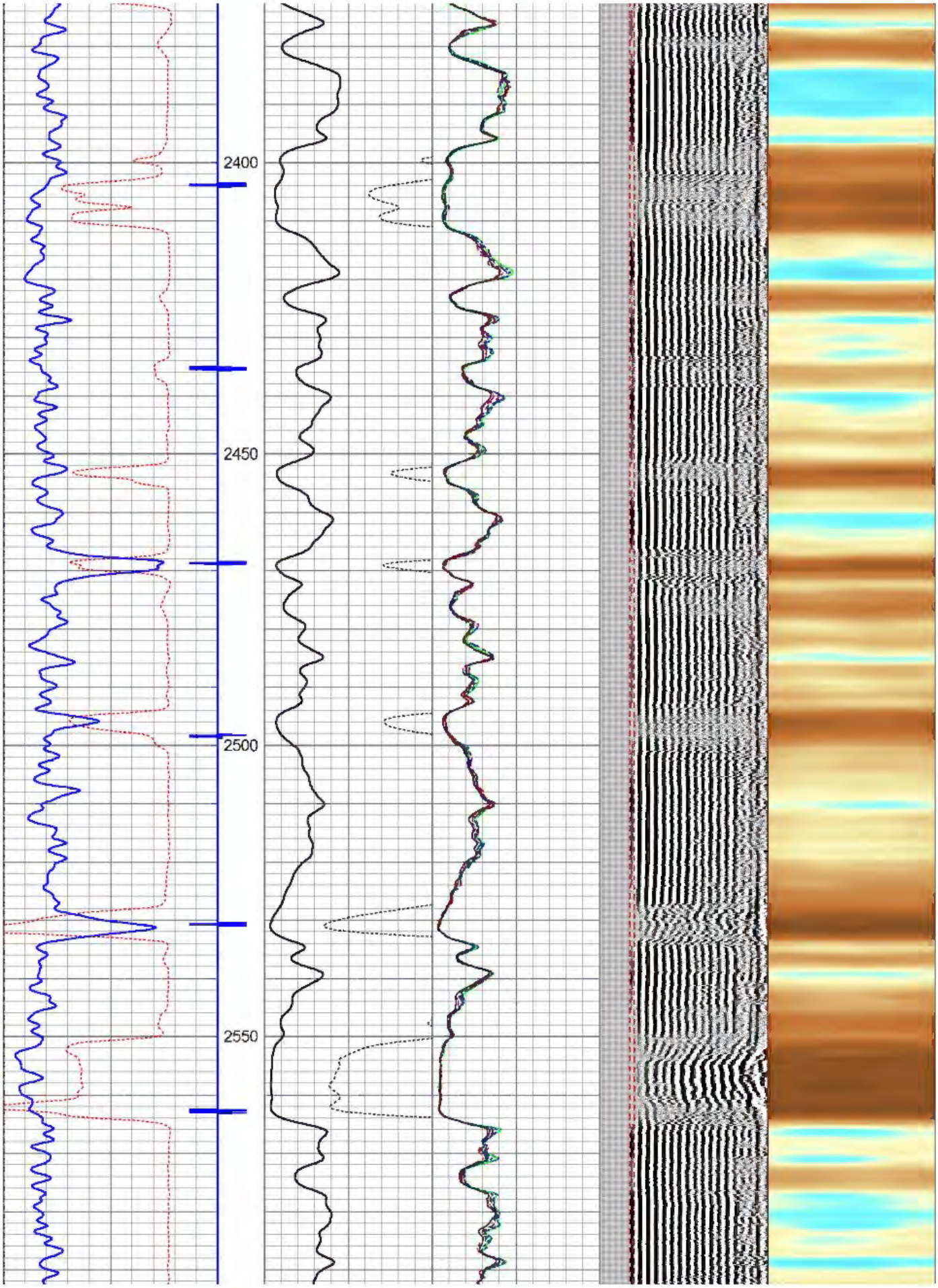
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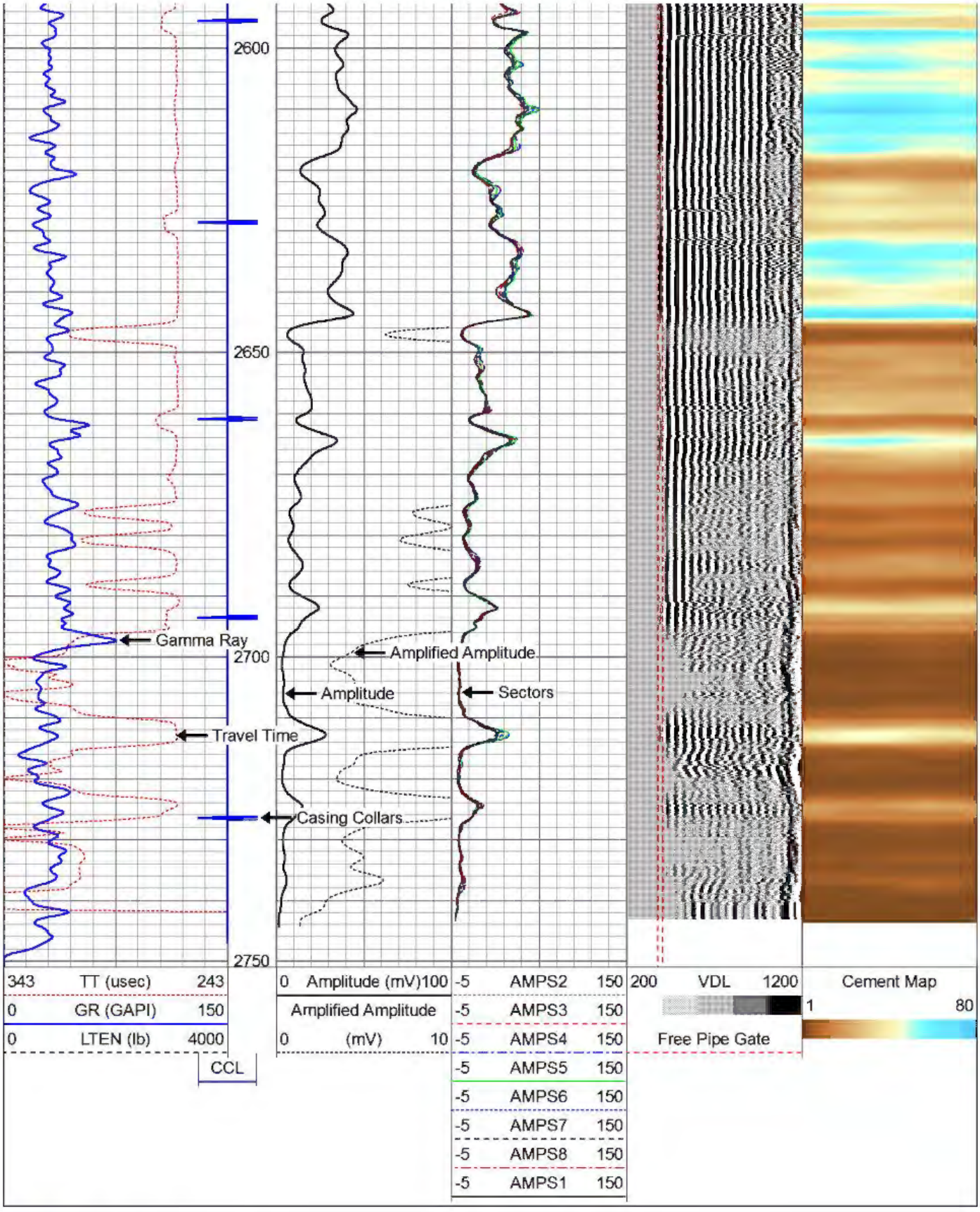
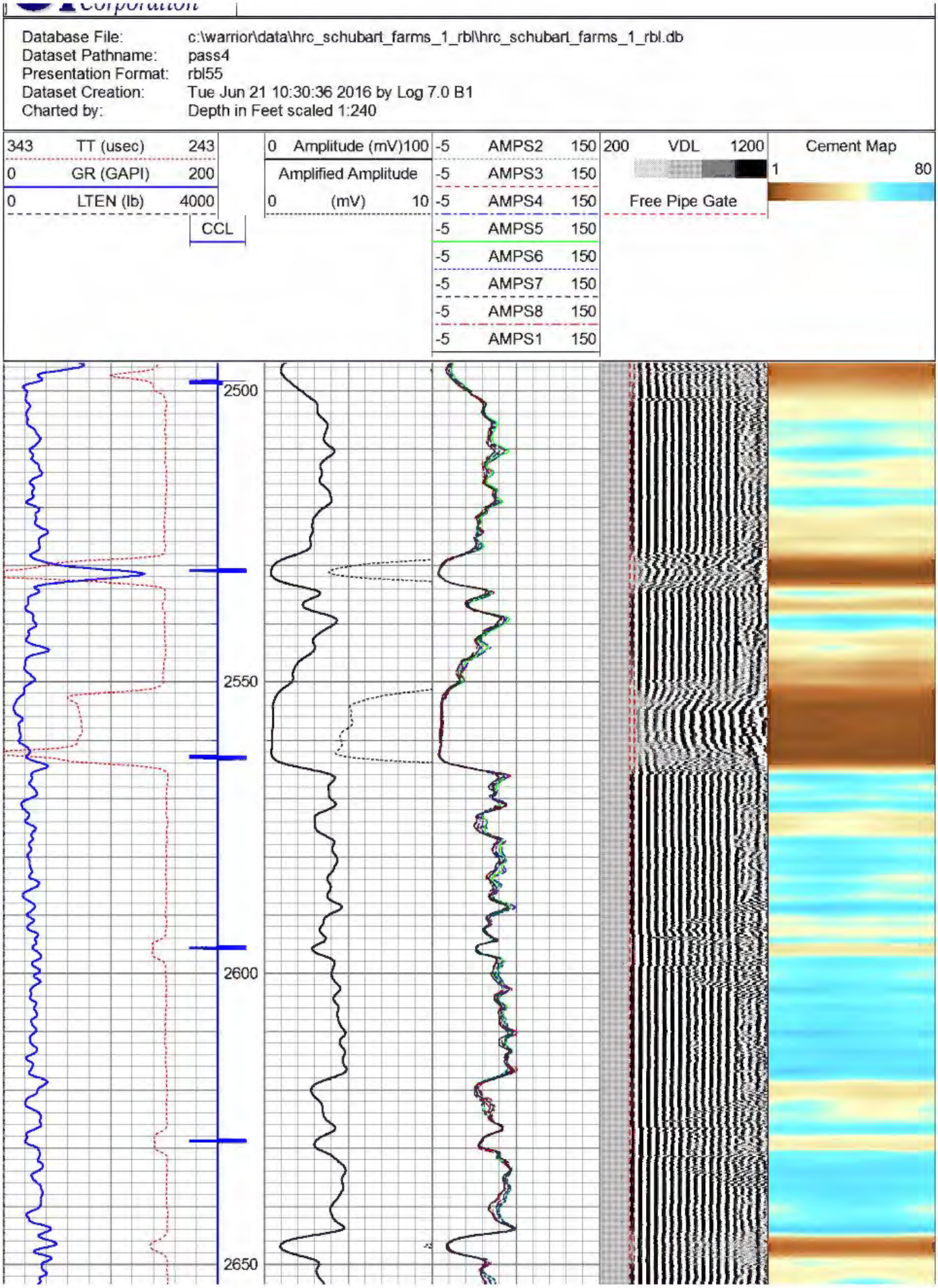


Repeat Pass 5"=100' (0 PSI)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Dataset Pathname: pass4
Presentation Format: rbl55
Dataset Creation: Tue Jun 21 10:30:36 2016 by Log 7.0 B1
Charted by: Depth in Feet scaled 1:240
343 TT (usec) 243
0 GR (GAPI) 200
0 LTEN (lb) 4000
CCL
0 Amplitude (mV) 100
Amplified Amplitude
0 (mV) 10
-5 AMPS2 150
-5 AMPS3 150
-5 AMPS4 150
-5 AMPS5 150
-5 AMPS6 150
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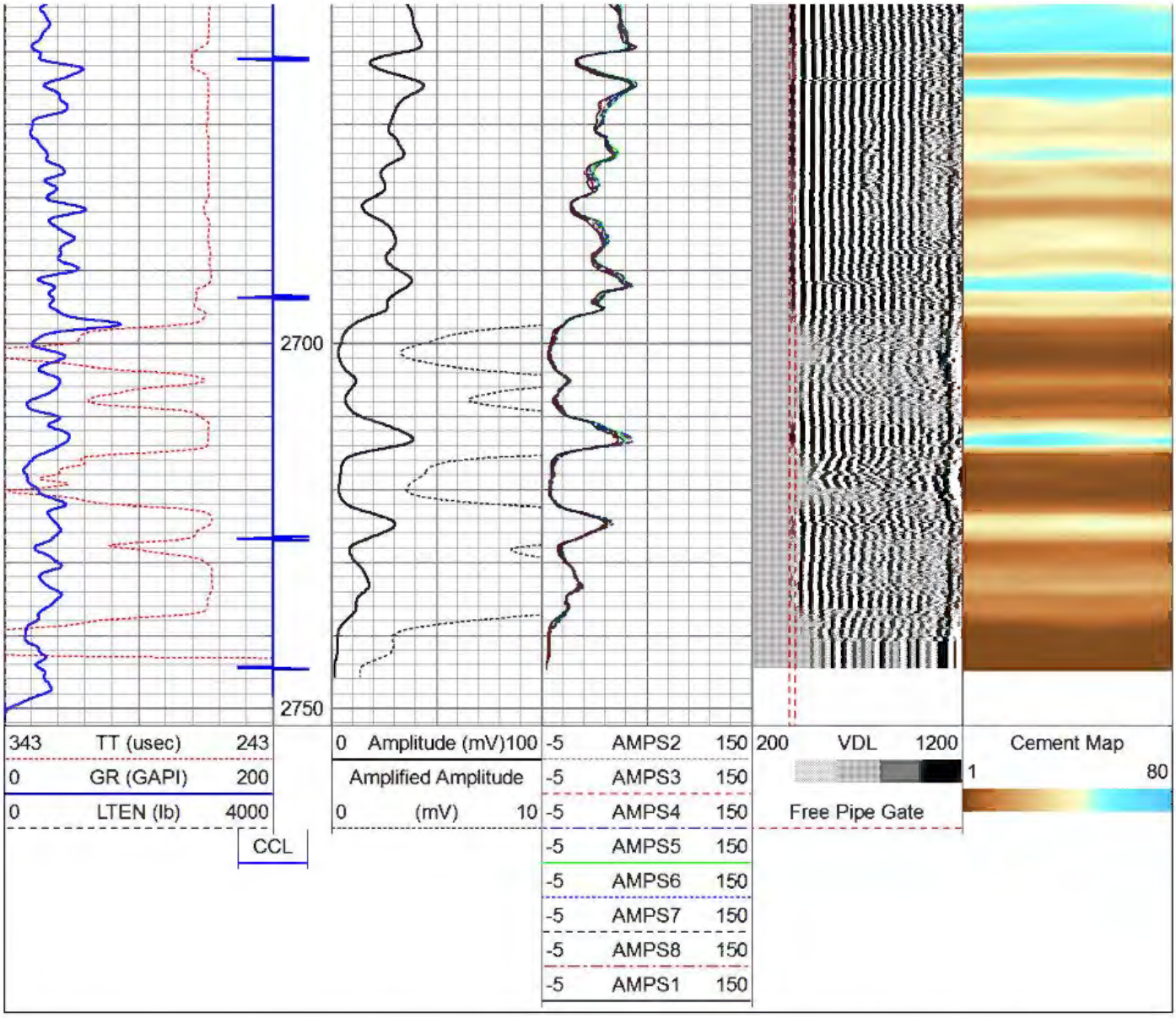
Free Pipe Gate
Cement Map
1 80
2500
2550
2600
2650



Log Variables

Database:C:\Warrior\Data\hrc_schubart_farms_1_rbl\hrc_schubart_farms_1_rbl.db
Dataset: field/well/run1/pass5

Top - Bottom

XXXX	PPT usec	CASEWGHT lb/ft	MAXAMPL mV	MINAMPL mV	MINATTN db/ft	SRFTEMP degF	CASEOD in
0	0	17	71.921	2	0.8	0	5.5

PERFS	TDEPTH ft	BOTTEMP degF	BOREID in
0	2800	100	7.875

Calibration Report

Database File: C:\Warrior\Data\hrc_schubart_farms_1_rbl\hrc_schubart_farms_1_rbl.db
Dataset Pathname: pass5
Dataset Creation: Tue Jun 21 10:36:41 2016 by Log 7.0 B1

Gamma Ray Calibration Report

Type / Serial: Probe275dig / PROFW130211

SHOP CALIBRATION — Tue Jun 21 07:59:48 2016

	Counts/Sec.	Gain	Offset	Jig	Units
Background	31.1				cps
Calibrator	145.1				cps
		0.8504			GAPI/cps

PRIMARY VERIFICATION — Tue Jun 21 08:02:05 2016

Background	27.8				cps
Calibrator	128.0				cps
Difference				100.2	GAPI

BEFORE SURVEY VERIFICATION — Tue Jun 21 08:04:39 2016

Background	28.5				cps
Calibrator	108.9				cps
Difference				80.4	GAPI

AFTER SURVEY VERIFICATION

Background	0.0				cps
Calibrator	0.0				cps
Difference				0.0	GAPI

Segmented Cement Bond Log Calibration Report

Serial Number:	FW1403-67	
Tool Model:	RBT-TEMP	
Calibration Casing Diameter:	5.500	in
Calibration Depth:	15.900	ft

Master Calibration, performed Tue Jun 21 09:16:51 2016:

	Raw (v)		Calibrated (mv)		Results	
	Zero	Cal	Zero	Cal	Gain	Offset
3'	0.007	0.838	1.000	71.921	85.369	1.371
CAL	0.007	0.858				
5'	0.007	0.845	1.000	71.921	84.626	0.380
SUM						
S1	0.007	0.836	0.000	100.000	120.653	-0.890
S2	0.007	0.848	0.000	100.000	118.916	-0.871
S3	0.007	0.846	0.000	100.000	119.280	-0.874
S4	0.007	0.846	0.000	100.000	119.273	-0.881
S5	0.007	0.856	0.000	100.000	117.871	-0.863
S6	0.007	0.847	0.000	100.000	119.061	-0.873
S7	0.007	0.850	0.000	100.000	118.652	-0.879
S8	0.007	0.851	0.000	100.000	118.513	-0.874

Internal Reference Calibration, performed Tue Jun 21 07:55:57 2016:

	Raw (v)		Calibrated (v)		Results	
	Zero	Cal	Zero	Cal	Gain	Offset
CAL	0.000	0.000	0.007	0.858	1.000	0.000

Air Zero Calibration, performed Tue Jun 21 07:54:59 2016:

	Raw (v)	Calibrated (v)	Results
	Zero	Zero	Offset

3'	0.000	0.000	0.000
5'	0.000	0.000	0.000
SUM			
S1	0.000	0.000	0.000
S2	0.000	0.000	0.000
S3	0.000	0.000	0.000
S4	0.000	0.000	0.000
S5	0.000	0.000	0.000
S6	0.000	0.000	0.000
S7	0.000	0.000	0.000
S8	0.000	0.000	0.000

Temperature Calibration Report

Serial Number:	FW1403-67			
Tool Model:	RBT-TEMP			
Performed:	Wed Jul 22 12:13:37 2015			
	Reference		Reading	
Low Reference:	0.00	degF	0.00	degF
High Reference:	1.00	degF	1.00	degF
Gain:	1.00			
Offset:	0.00			
Delta Spacing	5			

Sensor	Offset (ft)	Schematic	Description	Len (ft)	OD (in)	Wt (lb)
			1.4375CHD Titan Cable Head 1 7/16	1.00	1.44	10.00
TEMP	11.12					
			RBT-RBT-TEMP (FW1403-67) Probe 2.75" Radii Bond w/Temp Tool	9.17	2.75	90.00
WVF3FT	8.97					
WVFCAL	8.97					
WVFS1	8.97					
WVFS2	8.97					
WVFS3	8.97					
WVFS4	8.97					
WVFS5	8.97					
WVFS6	8.97					
WVFS7	8.97					
WVFS8	8.97					
WVF5FT	7.97					

CCL DCCL	3.88 3.88				
GR	2.54		GR-Probe275dig (PROFW130211) Probe Digital Gamma CCL	4.78	2.75	57.00

Dataset:	hrc_schubart_farms_1_rbl.db: field/well/run1/pass5
Total Length:	14.95 ft
Total Weight:	157.00 lb
O.D.	2.75 in

Company	H.R.C. Inc.		
Well	Schubert Farms #1		
Field	---		
County	Lea	State	New Mexico

Capitan Corporation

Radial Cement Bond
Gamma Ray CCL
Log

APPENDIX F

DECEMBER 2021 RESULTS

MONITOR WELL INORGANIC COMPOUNDS

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Alkalinity, Bicarbonate	224		5.00	MG/L	12-20-21	310.0
Alkalinity Carbonate	<1.00		1.00	MG/L	12-20-21	310.0
Chloride	68.0		4.00	MG/L	12-20-221	4500. C1.B
Conductivity	671		1.00	UMHOS/CM	12-17-21	120.1
pH	7.83		0.100	pH units	12-17-21	150.1
Sulfate	81.6		25.0	MG/L	12-20-21	375.4
TDS	417		5.0	MG/L	12-20-21	160.1
Alkalinity Total	184		4.00	MG/L	12-20-21	310.1

MONITOR WELL TOTAL RECOVERABLE METALS by ICP (E220.7)

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Calcium	49.8		1.00	MG/L	1-6-22	EPA 200.7
Magnesium	15.2		1.00	MG/L	1-5-22	EPA 200.7
Potassium	1.89	1.83	10.00	MG/L	1-5-22	EPA 200.7
Sodium	63.3		10.00	MG/L	1-5-22	EPA 200.7

CARDINAL Laboratories

PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERTFARMS #1 WATER SAMPI Project Manager: BEN DONAHUE Fax To:	Reported: 10-Jan-22 12:15

MONITOR WELL

H213654-03 (Water)

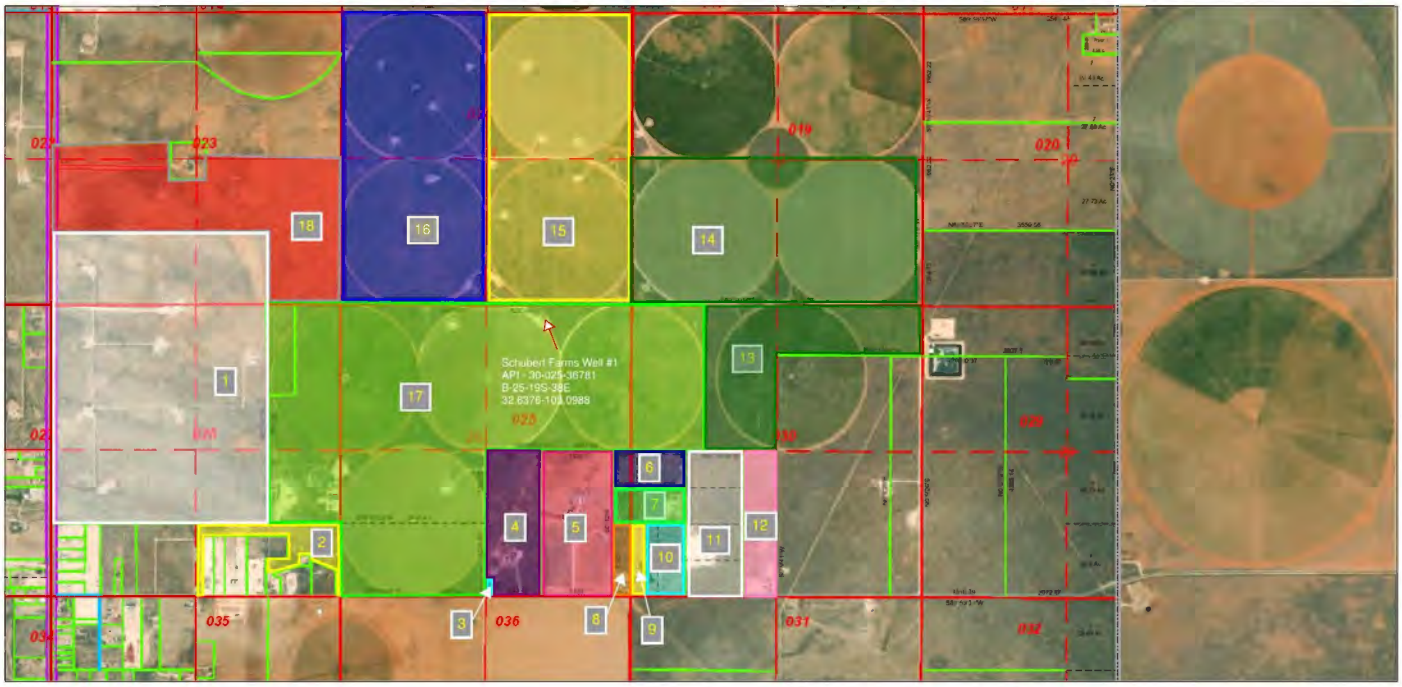
Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
Cardinal Laboratories										
Inorganic Compounds										
Alkalinity, Bicarbonate	**259**		5.00	mg/L	1	1120308	AC	20-Dec-21	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	1120308	AC	20-Dec-21	310.1	
Chloride*	**364**		4.00	mg/L	1	1121717	GM	20-Dec-21	4500-Cl-B	
Conductivity*	**1970**		1.00	umhos/cm @ 25°C	1	1121716	GM	17-Dec-21	120.1	
pH*	**7.42**		0.100	pH Units	1	1121716	GM	17-Dec-21	150.1	
Temperature °C	**21.7**			pH Units	1	1121716	GM	17-Dec-21	150.1	
Sulfate*	**264**		50.0	mg/L	5	1122003	AC	20-Dec-21	375.4	
TDS*	**1160**		5.00	mg/L	1	1120903	GM	21-Dec-21	160.1	
Alkalinity, Total*	**212**		4.00	mg/L	1	1120308	AC	20-Dec-21	310.1	
Green Analytical Laboratories										
Total Recoverable Metals by ICP (E200.7)										
Calcium*	**182**		2.50	mg/L	25	B213157	JDA	05-Jan-22	EPA200.7	
Magnesium*	**50.7**		2.50	mg/L	25	B213157	JDA	05-Jan-22	EPA200.7	
Potassium*	**5.36**	4.58	25.0	mg/L	25	B213157	JDA	05-Jan-22	EPA200.7	J
Sodium*	**127**		25.0	mg/L	25	B213157	JDA	05-Jan-22	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

APPENDIX G



SCHUBERT FARMS WELL #1 NOTIFICATION LIST (ADJOINING PROPERTY OWNERS)

No.	Name	Address	City,State,Zip	Type	Parcel ID
1	WFM Ranch	PO Box 21116	Billings, MT 59104	Adjoining Property Owner	4000415620002
2	H.R.C. Inc.	PO Box 5102	Hobbs, NM 88241	Adjoining Property Owner	4980603111406
3	Anella L. Comprary	2900 E. Nadine Rd.	Hobbs, NM 88240	Adjoining Property Owner	4000005470001
4	Andy R. Comprary III	2900 E. Nadine Rd.	Hobbs, NM 88240	Adjoining Property Owner	4000423360001
5	Terry Walker	3510 E. Nadine Rd.	Hobbs, NM 88240	Adjoining Property Owner	4000403330001
6	David J. Walker	10125 High Country Ln.	Forney,TX 75126	Adjoining Property Owner	4000757970001: 4000757970001
7	Walter F. Marshall	6607 S. Richards Dr.	Hobbs, NM 88240	Adjoining Property Owner	4000757960001: 4000757960002
8	Tracy W. Headstream	PO Box 2363	Hobbs, NM 88241	Adjoining Property Owner	4000424630001
9	Nikki Corneluis	3510 E. Nadine Rd.	Hobbs, NM 88240	Adjoining Property Owner	4000424640001
10	Jose Alvarez Jr.	3528 E. Nadine Rd.	Hobbs,NM 88240	Adjoining Property Owner	4000769810001
11	Standifer Investments	300 Meadows Crest Rd.	Fort Worth, TX 76108	Adjoining Property Owner	4000403410002
12	Gonzolo Garcia	816 E. Green Acres	Hobbs, NM 88240	Adjoining Property Owner	4000754510001
13	S&H Enterprises	PO Box 1606	Hobbs, NM 88241	Adjoining Property Owner	4000792680003
14	S&H Enterprises	PO Box 1606	Hobbs, NM 88241	Adjoining Property Owner	4000418400001
15	Jayson Lee Ussery	4201 E. Nadine Rd.	Hobbs,NM 88240	Adjoining Property Owner	4000424820001
16	Bryan Hal Ussery	5018 Eunice Hwy.	Hobbs,NM 88240	Adjoining Property Owner	4000015880001
17	S&H Enterprises	PO Box 1606	Hobbs, NM 88241	Adjoining Property Owner	4000763520001: 4000763520002
18	Bryan Hal Ussery	5018 Eunice Hwy.	Hobbs,NM 88240	Adjoining Property Owner	4000424790002

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

Pipeline Contingency

H.R.C. Inc. recognizes the potential for leaks to occur in its production pipeline which is run on the surface from the well site to the storage facility. In order to address this concern H.R.C. Inc. has implemented a daily program to visually inspect the line for any leaks or discharges. Should a leak be detected the transfer pump will be shut down and the line will be shut in to allow for any repairs and to prevent any additional leakage. Clamps will be placed on both sides of the line to isolate the affected area. Repairs will be performed on the line and a hydrostatic test will be performed on the line to verify complete line integrity after repairs have been made. An assessment of the magnitude of the spill/leak will be performed and the necessary steps will be put into action to ensure the impacted area has been secured, that the released water has been contained, and that all liquids have been removed from the impacted site. H.R.C. Inc. will submit Form C-141 to the OCD to report the release and all subsequent actions taken. H.R.C. Inc. will comply with all regulations set forth in NMAC 19.15.29 pertaining to releases.

Wellsite & Storage Tank Contingency

All above ground piping and tanks at the well site will be visually inspected for leaks by company personnel during each site visit. (At least two times per day during routine well checks). Man way gaskets, tank battery liners, and valves will be visually inspected at all tanks daily. Any problems such as leaks, spills or well abnormality will be taken to the attention of H.R.C. supervisor immediately. Should a leak be detected on any tank, it will be isolated and contents will be removed and placed in the other tanks on location. Once empty the necessary repairs will be performed to put the tank back into service. Inspection of the tank will be performed while filling to ensure the leak has been corrected. H.R.C. Inc. will assess the magnitude of the leak and will comply with all regulations set forth in NMAC 19.15.29 pertaining to leaks and reporting. Immediate actions will be taken upon discovery of a well or tank leak to locate, isolate, and remediate the problem. A form C-141 will be filled out and submitted to the OCD to provide notification of the release.

H.R.C. Inc.
P.O. Box 5102
Hobbs, NM 88241

ANALYSIS OF BRINE WELL CLOSING EXPENSES
Schubert Farms Well #1
API# 30-025-37548

PLUG & ABANDON COSTS

$49,150.00	Well Plugging, Pulling Unit, Tools, Etc. (Lucky Services) Trucking, Rental Equipment, Water, Misc. (Lucky Services)
$20,268.00	Cementing (Spinnaker Oilfield)
$5000.00	Contingency
$74,418.00	**Total Plug & Abandon Costs**

TANK/SURFACE EQUIPMENT/ETC.

$51,615.00	Remove Tanks (Includes Cleaning) (1st Backhoe) Remove & Haul off signs, concrete, fencing, etc. (1st Backhoe) Removal of Pit Liner & Berm Material (1st Backhoe) Removal of Production Pipeline (1st Backhoe) Reseeding (1st Backhoe)
$6500.00	Supervision & Contingency
$58,115.00	**Total Surface Restoration Costs**

SUBSURFACE MONITORING

$20,000.00	Surveying Expenses ($1000.00 x 5 years x 4 Quarter / Year)
$5,000.00	Office Expenses (Reporting at $1000 / Year)
$25,000.00	**Total Subsurface Monitoring Costs**

$157,533.00 **Total Closure Plan Costs**

DISCHARGE PERMIT APPROVAL CONDITIONS

All discharge permits are subject to Water Quality Control Commission regulations.

1. GENERAL PROVISIONS:

1.A. PERMITTEE AND PERMITTED FACILITY: The Director of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues a Discharge Permit BW-36 to H.R.C., Inc. (Permittee) to operate a Underground Injection Control (UIC) Class III Well for the solution mining of salt (Schubert Farms Brine Well No. I API # 30-025-37548) is located 330 FNL, and 1650 FEL, Unit Letter B (NW/4 NE/4) of Section 25, Township l9S Range 38E, Lat. 32.63760°, Long. -103.09880°, NMPM, Lea County, New Mexico. This brine well is located approximately I mile north of Nadine Road and 1.7 miles east ofNM-18. The brine station or sales terminal is located approximately I.I miles SW of the brine well or at 1914 East Nadine Rd., Hobbs, NM 88240. Produced brine is metered at surface and transported approximately 2 miles via a buried 3-inch polyethylene pipeline to the brine station for sale. The brine station is permitted with the same operator under OCD Permit BW-3 l.

The Permittee is permitted to inject water into the subsurface salt layers and produce brine for use in the oil and gas industry. Ground water that may be affected by a spill, leak, or accidental discharge of brine occurs at a depth of approximately *50* - 70 feet below ground surface and has a total dissolved solids (IDS) concentration of approximately 700mg/L.

1.B. SCOPE OF PERMIT: OCD has been granted the authority by statute and by delegation from the Water Quality Control Commission (WQCC) to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to Class III wells associated with the oil and gas industry (See Section 74-6-4, 74-6-5 NMSA 1978).

The Water Quality Act and the rules promulgated pursuant to the Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by 20.6.2 NMAC, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan (See 20.6.2.3104 NMAC, 20.6.2.3106 NMAC, and 20.6.2.5000 through 20.6.2.5299 NMAC).

This Discharge Permit for a Class III Brine Well is issued pursuant to the Water Quality Act and WQCC rules, 20.6.2 NMAC. This Discharge Permit does not authorize any treatment of, or on-site disposal of, any materials, product, by- product, or oil-field waste.

Pursuant to 20.6.2.5004A NMAC, the following underground injection activities are prohibited:

1. The injection of fluids into a motor vehicle waste disposal well is prohibited.
2. The injection of fluids into a large capacity cesspool is prohibited.
3. The injection of any hazardous or radioactive waste into a well is prohibited except as provided by 20.6.2.5004A(3) NMAC.
4. Class IV wells are prohibited, except for wells re-injecting treated ground water into the same formation from which it was drawn as part of a removal or remedial action.
5. Barrier wells, drainage wells, recharge wells, return flow wells, and motor vehicle waste disposal wells are prohibited.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal, or local laws, rules or regulations.

The Permittee shall operate in accordance with the terms and conditions specified in this Discharge Permit to comply with the Water Quality Act and the rules issued pursuant to that Act, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3l09H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health, (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified of 20.6.2.3103 NMAC are not exceeded; and, so that the technical criteria and performance standards (see 20.6.2.5000 through 20.6.2.5299 NMAC) for Class III wells are met. Pursuant to 20.6.2.5003B NMAC, the Permittee shall comply with
20.6.2.1 through 20.6.2.5299 NMAC.

The Permittee shall not allow or cause water pollution, discharge, or release of any water contaminant that exceeds the Water Quality Control Commission (WQCC) standards specified at 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams). Pursuant to 20.6.2.5101A NMAC, the Permittee shall not inject non-hazardous fluids into ground water having 10,000 mg/I or less total dissolved solids (TDS).

The issuance of this permit does not relieve the Permittee from the responsibility of complying with the provisions of the Water Quality Act, any applicable regulations or water quality standards of the WQCC, or any applicable federal laws, regulations or standards (See Section 74-6-5 NMSA 1978).

1.C. DISCHARGE PERMIT: This Discharge Permit is a new permit application. Future replacement of a prior permit does not relieve the Permittee of its responsibility to comply with the terms of that prior permit while that permit was in effect.

1.D. DEFINITIONS: Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act or the rules adopted pursuant to the Act, as the context requires.

1.E. FILING FEES AND PERMIT FEES: Pursuant to 20.6.2.3114 NMAC, every facility that submits a Discharge Permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of20.6.2.3114 NMAC. OCD has already received the required $100.00 filing fee. The Permittee is now required to submit the $1,700.00 permit fee for a Class III well. Please remit payment made payable to the "Water Quality Management Fund" in care of OCD at 1220 South St. Francis Drive in Santa Fe, New Mexico 87505.

1.F. EFFECTIVE DATE, EXPIRATION, RENEW AL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT: This Discharge Permit becomes effective immediately from the date that the Permittee receives this discharge permit or until the permit is terminated or expires. This Discharge Permit will expire on **July 31, 2027.** The Permittee shall submit an application for renewal no later than 120 days before that expiration date, pursuant to 20.6.2.5101F NMAC. If a Permittee submits a renewal application at least 120 days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until OCD has approved or disapproved the renewal application. A discharge permit continued under this provision remains fully effective and enforceable. Operating with an expired Discharge Permit may subject the Permittee to civil and/or criminal penalties (See Section 74-6-10.1 NMSA 1978 and Section 74-6-
10.2 NMSA 1978).

1.G. MODIFICATIONS AND TERMINATIONS: The Permittee shall notify the OCD Director and OCD's Engineering Bureau of any Facility expansion or process modification (See 20.6.2.3107C NMAC). The OCD Director may require the Permittee to submit a Discharge Permit modification application pursuant to 20.6.2.3109E NMAC and may modify or terminate a Discharge Permit pursuant to Sections 74-6-5(M) through (N) NMSA 1978.

1. If data submitted pursuant to any monitoring requirements specified in this Discharge Permit or other information available to the OCD Director indicate that 20.6.2 NMAC is being or may be violated, then the OCD Director may require modification or, if it is determined by the OCD Director that the modification may not be adequate, may terminate this Discharge Permit for a Class III well that was approved pursuant to the requirements of 20.6.2.5000 through 20.6.2.5299 NMAC for the following causes:

a. Noncompliance by Permittee with any condition of this Discharge Permit; or,
b. The Permittee's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or Permittee's misrepresentation of any relevant facts at any time; or,
c. A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge permit modification or termination (See Section 75-6-6 NMSA 1978; 20.6.2.51011 NMAC; and 20.6.2.3109E NMAC).

2. This Discharge Permit may also be modified or terminated for any of the following causes:

a. Violation of any provisions of the Water Quality Act or any applicable regulations, standard of performance or water quality standards;
b. Violation of any applicable state or federal effluent regulations or limitations; or
c. Change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge (See Section 75-6-5M NMSA 1978).

1.H. TRANSFER OF CLASS III **WELL DISCHARGE PERMIT:**

1. The transfer provisions of20.6.2.3111 NMAC do not apply to a discharge permit for a Class III well.

2. Pursuant to 20.6.2.5101H NMAC, the Permittee may request to transfer its Class III well discharge permit if:

a. The OCD Director receives written notice 30 days prior to the transfer date; and
b. The OCD Director does not object prior to the proposed transfer date. OCD may require modifications to the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility.

3. The written notice required in accordance with Permit Condition l.H.2.a shall:

a. Have been signed by the Permittee and the succeeding Permittee, and shall include an acknowledgement that the succeeding Permittee shall be responsible for compliance with the Class III well discharge permit upon taking possession of the facility; and
b. Set a specific date for transfer of the discharge permit responsibility, coverage and liability; and
c. Include information relating to the succeeding Permittee's financial responsibility required by 20.6.2.5210B(l7) NMAC.

1.I. COMPLIANCE AND ENFORCEMENT: If the Permittee violates or is violating a condition of this Discharge Permit, OCD may issue a compliance order that requires compliance immediately or within a specified time period, or assess a civil penalty, or both (See Section 74-6-10 NMSA 1978). The compliance order may also include a suspension or termination of this Discharge Permit. OCD may also commence a civil action in District Court for appropriate relief, including injunctive relief(See Section 74-6-10(A)(2) NMSA

1978). The Permittee may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in a renewal application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by **a** Discharge Permit issued pursuant to a state or federal law or regulation (See Section 74-6-10.2 NMSA 1978).

2. GENERAL FACILITY OPERATIONS:

2.A. QUARTERLY MONITORING REQUIREMENTS FOR CLASS III WELLS: The Permittee may use either or both fresh water and water from otherwise non-potable sources. Pursuant to 20.6.2.5207C, the Permittee shall provide analysis of the injected fluids and brine at least quarterly to yield data representative of their characteristics. The Permittee shall analyze both the injected fluids and brine for the following characteristics: pH; density, concentration of total dissolved solids (IDS); chloride concentration; and sodium concentration (for brine only).

1. Monitor Well: In **advance of start-up** of brine well operations, the Permittee shall install a downgradient monitor well within 50 feet of the brine well into the water table aquifer and collect a background groundwater sample for general chemistry and WQCC 20.6.2.3103 NMAC groundwater constituents. Groundwater quality data shall comply with EPA Quality Assurance/Quality Control (QA/QC) and Data Quality Objectives (DQOs) and be **submitted to OCD for approval before start-up** of brine production. The monitor well construction shall comply with EPA Standards and be required to be sampled and monitored **semi-annually** thereafter for the following characteristics:

- pH (Method 9040);
- Eh;
- Specific conductance;
- Specific gravity;
- Temperature; and
- General ground water quality parameters (general chemistry/cations and anions, including: fluoride, calcium, potassium, magnesium, sodium bicarbonate, carbonate, chloride, sulfate, total dissolved solids, cation/anion balance, pH, and bromide using the methods specified in 40 CFR 136.3).

The environmental data results shall be reported in the Annual Report (Section 2.J).

2.B. SOLUTION CAVERN MONITORING PROGRAM:

1. Surface Subsidence Monitoring Plan: The Permittee shall submit a Surface Subsidence Monitoring Plan to OCD within 180 days of the effective date of this permit. The Surface Subsidence Monitoring Plan shall specify that the Permittee will install at least three survey monuments and shall include a proposal to monitor the elevation of the monuments and top of well casing at least semi-annually.

The Permittee shall survey each survey monument and top of well casing at least semiannually to monitor for possible surface subsidence and shall tie each survey to the nearest USGS geodetic benchmark. The Permittee shall employ a licensed professional surveyor to conduct the subsidence monitoring program with proper instrument accuracy assessment at the conclusion of each survey. The Permittee shall submit the results of all subsidence surveys with summary of results and any recommendations to OCD within 15 days of survey completion. If the monitored surface subsidence survey at any measuring point deviates 0.10 ft. or more compared to its baseline elevation, then the

Permittee shall notify OCD within 30 days of survey completion for further instructions. If survey results continue to demonstrate subsidence over time, and the Permittee cannot demonstrate the integrity of the cavern and well to the satisfaction of OCD, then it shall cease all brine production and submit a corrective action plan to mitigate the subsidence.

The Permittee shall include the above information in the Annual Report (Section 2.J).

2. Solution Cavern Characterization Program: The Permittee shall submit a Solution Cavern Characterization Plan to characterize the size and shape of the solution cavern using geophysical methods within 180 days of the effective date of this permit. The Permittee shall characterize the size and shape of the solution cavern using a geophysical methods approved by OCD at least once before the expiration date of the permit. The Permittee shall demonstrate that at least 90% of the calculated volume of salt removed based upon injection and production volumes has been accounted for by the approved geophysical method(s) for such testing to be considered truly representative.

a. The Permittee shall provide an estimate of the size and shape of the solution cavern at least annually in the Annual Report (Section 2.J), based on fluid injection and brine production data.

b. The Permit shall compare the ratio of the volume of injected fluids to the volume of produced brine monthly. If the average ratio of injected fluid to produced brine varies is less than 90% or greater than 110%, the Permittee shall report this to OCD and cease injection and production operations of its Class III well within 24 hours. The Permittee shall begin an investigation to determine the cause of this abnormal ratio within 72 hours. The Permittee shall submit to OCD a report of its investigation within 15 days of cessation of injection and production operations of its Class III well for further instructions.

3. Annual Certification: The Permittee shall certify annually in the Annual Report (Section 2.J) that continued salt solution mining will not cause cavern collapse, surface subsidence, property damage, or otherwise threaten public health and the environment, based on geologic and engineering data.

If the solution cavern is determined by either OCD or the Permittee to be potentially unstable by either direct or indirect means, then the Permittee shall cease all fluid injection and brine production within 24 hours. If the Permittee ceases operations because it or OCD has determined that the solution cavern is unstable, then it shall submit a plan to stabilize the solution cavern within 30 days. OCD may require the Permittee to implement additional subsidence monitoring and to conduct additional corrective action.

2.C. CONTINGENCY PLANS: The Permittee shall implement its proposed contingency plan(s) included in its Permit Application to cope with failure of a system(s) in the Discharge Permit.

2.D. CLOSURE: The Permittee shall submit as a condition of C-103 Sundry approval, and for OCD approval, a facility closure plan with third-party cost estimate for its well pursuant to 20.6.2.5209 NMAC and as specified in Permit Conditions 2.I and 5.8 to address: well plug and abandonment, land surface restoration; environmental groundwater monitoring (if applicable); pipeline abandonment; and five years of surface subsidence monitoring.

1. Pre-Closure Notification: Pursuant to 20.6.2.5005A NMAC, the Permittee shall submit a pre-closure notification to OCD's Engineering Bureau at least 30 days prior to the date that it proposes to close or to discontinue operation of its Class III well. Pursuant to 20.6.2.5005B NMAC, OCD's Engineering Bureau must approve all proposed well closure activities before Permittee may implement its proposed closure plan.

2. Required Information: The Permittee shall provide OCD's Engineering Bureau with the following information:

- Name of facility;
- Address of facility;
- Name of Permittee (and owner or operator, if appropriate);
- Address of Permittee (and owner or operator, if appropriate);
- Contact person;
- Phone number;
- Number and type of well(s);
- Year of well construction;
- Well construction details;
- Type of discharge;
- Average flow (gallons per day);
- Proposed well closure activities (e.g., sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type of well, ground water and vadose zone investigation, other);
- Proposed date of well closure;
- Proposed method and date of surface restoration;
- Proposed method and date of pipeline abandonment;
- Name of preparer; and
- Date.

2.E. PLUGGING AND ABANDONMENT PLAN: Pursuant to 20.6.2.5209ANMAC, when the Permittee proposes to plug and abandon its Class III well, it shall submit to OCD a plugging and abandonment plan that meets the requirements of20.6.2.3109C NMAC, 20.6.2.5 lO1C NMAC, and 20.6.2.5005NMAC for protection of ground water. If requested by OCD, Permittee shall submit for approval prior to closure, a revised or updated plugging and abandonment plan. The obligation to implement the plugging and abandonment plan as well as the requirements of the plan survives the termination or expiration of this Discharge Permit. The Permittee shall comply with 20.6.2.5209 NMAC.

2.F RECORD KEEPING: The Permittee shall maintain records of all inspections , surveys, investigations, etc., required by this Discharge Permit at its Facility office for a minimum of five years and shall make those records available for inspection at the request of an OCD Representative.

2.G RELEASE REPORTING: The Permittee shall comply with the following Permit Conditions, pursuant to 20.6.2.1203 NMAC , if it determines that a release of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, has occurred. The Permittee shall report unauthorized releases of water contaminants in accordance with any additional commitments made in its approved Contingency Plan. If the Permittee determines that any constituent exceeds the standards specified at 20.6.2.3103 NMAC, then it shall report a release to OCD's Engineering Bureau.

1. Oral Notification: As soon as possible after learning of such a discharge, but in no event more than twenty- four (24) hours thereafter, the Permittee shall notify OCD's Engineering Bureau. The Permittee shall provide the following:

- The name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
- The name and location of the facility;
- The date, time, location, and duration of the discharge;

- The source and cause of discharge;
- A description of the discharge, including its chemical composition;
- The estimated volume of the discharge; and,
- Any corrective or abatement actions taken to mitigate immediate damage from the discharge.

2. Written Notification: Within one **week** after the Permittee has discovered a discharge, the Permittee shall send written notification (may use form C-141 with attachments) to OCD's Engineering Bureau verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification.

The Permittee shall provide subsequent corrective actions and written reports as required by OCD's Engineering Bureau.

2.H. OTHER REQUIREMENTS:

1. Inspection and Entry: Pursuant to Section 74-6-9 NMSA 1978 and 20.6.2.3107A NMAC, the Permittee shall allow any authorized representative of the OCD Director to:

- Upon the presentation of proper credentials, enter the premises at reasonable times;
- Inspect and copy records required by this Discharge Permit;
- Inspect any treatment works, monitoring, and analytical equipment;
- Sample any injection fluid or produced brine;
- Conduct various types of environmental media sampling, and
- Use the Permittee's monitoring systems and wells in order to collect groundwater samples.

2. Advance Notice: The Permittee shall provide OCD's Engineering Bureau and Hobbs Office with at least five (5) working days advance notice of any environmental sampling to be performed pursuant to this Discharge Permit, or any well plugging, abandonment or decommissioning of any equipment associated with its Class III well.

3. Environmental Monitoring: The Permittee shall ensure that any environmental sampling and analytical laboratory data collected meets the standards specified in 20.6.2.3107B NMAC or EPA QA/QC Standards. The Permittee shall ensure that all environmental samples are analyzed by an accredited "National Environmental Laboratory Accreditation Conference" (NELAC) Laboratory. The Permittee shall submit environmental sampling data summary tables, all raw analytical data, and laboratory QA/QC.

a. A monitor well shall be installed hydrogeologically downgradient from the Brine Well and sampled in accordance with Section 2.A.l.

2.I. BONDING OR FINANCIAL ASSURANCE: Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain at a minimum, a single well plugging bond in the amount that it shall determine, in accordance with Permit Conditions 2.D and 5.B, to cover potential costs associated with plugging and abandonment of the Class III well, surface restoration, environmental ground water monitoring (if applicable), pipeline abandonment, along with five years of surface subsidence monitoring thereafter. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required environmental related corrective actions.

Methods by which the Permittee shall demonstrate the ability to undertake these measures shall include submission of a surety bond or other adequate assurances, such as financial statements or other materials acceptable to the OCD Director, such as: (1) a surety bond; (2) a trust fund with a New Mexico bank in the

name of the State of New Mexico, with the State as Beneficiary; (3) a non-renewable letter of credit made out to the State of New Mexico; (4) liability insurance specifically covering the contingencies listed in this paragraph; or (5) a performance bond, generally in conjunction with another type of financial assurance. If an adequate bond is posted by the Permittee to a federal or another state agency, and this bond covers all of the measures specified above, the OCD Director shall consider this bond as satisfying the bonding requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC wholly or in part, depending upon the extent to which such bond is adequate to ensure that the Permittee will fully perform the measures required hereinabove.

2.J. ANNUAL REPORT: The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD's Engineering Bureau by June 1st of the following year. The annual report shall include the following:

- Cover sheet marked as "Annual Class III Well Report, Name of Permittee, Discharge Permit Number, API number of well(s), date of report, and person submitting report;
- Summary of Class III well operations for the year including a description and reason for any remedial or major work on the well with a copy of form C-103;
- Monthly fluid injection and brine production volumes, including the cumulative total carried over each year;
- Cavern characterization information and data results;
- Subsidence monitoring information and data results;
- Semi-annual monitor well analytical data results;
- Injection pressure data;
- Pipeline hydrostatic test results;
- Pipeline visual leak inspection monitoring results at joints;
- A copy of the quarterly chemical analyses shall be included with data summary and all QA/QC information;
- Copy of any mechanical integrity test chart, including the type of test, i.e., duration, gauge pressure, etc.;
- Brief explanation describing deviations from the normal operations;
- Results of any leaks and spill corrective action reports;
- An Area of Review (AOR) update summary;
- A summary with interpretation of MITs, surface subsidence surveys, estimated cavern size and shape, cavern volume and geometry measurements with conclusion(s) and recommendation(s);
- A summary of the ratio of the monthly volume of injected fluids to the volume of produced brine;
- A summary of all major Facility activities or events, which occurred during the year with any conclusions and recommendations;
- Annual Surface Subsidence Monitoring Plan data results in accordance with Permit Condition
- 2.B.1;
- Annual Solution Cavern Characterization data results in accordance with Permit Condition 2.B.2; and
- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Engineering Bureau.

3. CLASS III WELL OPERATIONS:

Owner/Operator Commitments: Once a permit is issued, the owner/operator must ensure all operations are consistent with the terms and conditions of the permit and in conformance with all pertinent rules and regulations under both the Water Quality Act. The owner/operator shall abide by all commitments submitted in its discharge permit application including any attachments and/or amendments along with these approval conditions. Applications which reference previously approved plans on file with the OCD shall be incorporated into this permit and the owner/operator shall abide by all commitments of such plans.

3.A. OPERATING REQUIREMENTS: The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206A NMAC to ensure that:

1. Brine Production Method: During the cavern development process and daily brine production, a normal flow configuration consisting of freshwater injection shall occur through the innermost tubing string with brine production through the casing string backed by cement to surface to promote proper cavern development with depth; and to prevent cavern ceiling collapse. Injection and production flow may temporarily be reversed as required periodically to clean the tubing and annulus. However, a normal flow regime is required during daily injection and production must only occur in the intended solution mining interval.

2. Injection Out of Zone: Injection between the outermost casing and the well bore is prohibited in a zone other than the authorized injection zone. If the Permittee determines that its Class III well is discharging or suspects that it is discharging fluids into a zone or zones other than the permitted injection zone specified in Permit Condition 3.B.1., then the Permittee shall within 24 hours notify OCD's Engineering Bureau and Hobbs Office of the circumstances and action(s) taken. The Permittee shall cease operations until proper repairs are made and it has received approval from OCD to re-start injection operations.

3. Pipeline: Initial hydrostatic testing of pipeline is required for any pressure loss, leakage, etc. at joints. The hydrostatic test report with "as-built" pipeline transect and associated construction information shall be submitted to OCD for approval before pipeline activation. Mandatory Hydrostatic Testing of the pipeline is required after leakage and/or before the expiration date of the Permit. The pipeline shall be constructed with an Emergency Shut-Down Device with block off locations for pipeline isolation, access, cleaning, testing, etc. Daily pipeline inspection and monitoring is required at a minimum for the first week and each time the pipeline is brought back into service after shut-down, service work, etc. The pipeline shall be inspected within 8-hours of pipeline pressure loss, upset, etc. Weekly inspection and monitoring at a minimum is required thereafter. Inspection record keeping is required and shall include the date and time of each inspection, inspectors name and contact information, weather conditions with inspection summary, any conclusion on pipeline condition with any recommendations. Spills or release locations shall include GPS Coordinates and be handled in accordance with Condition 2.G Release Reporting herein.

3.B INJECTION OPERATIONS:

1. Well Injection Pressure Limit: The Permittee shall ensure that the maximum wellhead or surface injection pressure on its Class III well shall not exceed the fracture pressure of the injection salt formation and will not cause new fractures or propagate any existing fractures of cause damage to the system and underground source of drinking water.

2. Pressure Limiting Device: The Permittee shall equip and operate its Class III well or system with a pressure limiting device which shall, at all times, limit surface injection pressure to the maximum allowable pressure for its Class III well. The Permittee shall monitor the pressure-limiting device daily and shall report all pressure exceedances within 24 hours of detecting an exceedance to OCD's Engineering Bureau.

The Permittee shall take all steps necessary to ensure that the injected fluids enter only the proposed injection interval and is not permitted to escape to other formations, freshwater zones, or onto the ground surface. The Permittee shall report to OCD's Engineering Bureau within 24 hours of discovery any indication that new fractures or existing fractures have been propagated, or that damage to the well, the injection zone, or formation has occurred.

3.C CONTINUOUS MONITORING DEVICES: The Permittee shall use continuous monitoring devices to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the long string of casing.

3.D. MECHANICAL INTEGRITY FOR CLASS III WELLS:

1. Pursuant to 20.6.2.5204 NMAC, the Permittee shall demonstrate mechanical integrity for its Class III well at least once every two years or more frequently as the OCD Director may require for good cause during the life of the well. The Permittee shall demonstrate mechanical integrity for its Class III well every time it performs a well workover, including when it pulls the tubing. A Class III well has mechanical integrity if there is no detectable leak in the casing or tubing which OCD considers to be significant at maximum operating temperature and pressure; and no detectable conduit for fluid movement out of the injection zone through the well bore or vertical channels adjacent to the well bore which the OCD Director considers to be significant. The Permittee shall conduct a casing Mechanical Integrity Test (MIT) from the surface to the approved injection depth to assess casing integrity. The MIT shall consist of a 30-minute test at a minimum pressure of 500 psig measured at the surface when tubing is removed and a plug is installed within 20 ft. of the casing shoe depth. Alternatively, the MIT may consist of a casing/cavern 4-hr. test at a minimum pressure of 300 psig measured at the surface when the cavern and casing are full and tubing remains in the well. More work is required in the "casing/cavern" test in the event of failure to determine the actual cause.

The Permittee shall notify OCD's Engineering Bureau and Hobbs Office at least *5* days prior to conducting any MIT to allow OCD Hobbs the opportunity to witness the MIT.

2. The following criteria will determine if the Class III well has passed the MIT:

- **a.** Passes MIT if zero bleed-off during the test;
- **b.** Passes casing MIT if final test pressure is within +/- 10% of starting pressure, if approved by OCD (Note: Passes +/- 1% of starting pressure for casing/cavern test due to the massive volume of fluid required in the cavern and casing during this test);
- **c.** When the MIT is not witnessed by OCD and fails, the Permittee shall notify OCD within 24 hours of the failure of the MIT.
- **d.** All chart recorder information, charts containing appropriate information, calibration sheets, etc. shall be provided to OCD within *5* working days of completing an MIT.

3. Pursuant to 20.6.2.5204C NMAC, the OCD Director may consider the use by the Permittee of equivalent alternative test methods to determine mechanical integrity. The Permittee shall submit information on the proposed test and all technical data supporting its use. The OCD Director may approve the Permittee's request if it will reliably demonstrate the mechanical integrity of the well for which its use is proposed.

4. Pursuant to 20.6.2.5204D NMAC, when conducting and evaluating the MIT(s), the Permittee shall apply methods and standards generally accepted in the oil and gas industry. When the Permittee reports the results of all MIT(s) to the OCD Director, it shall include a description of the test(s), the method(s) used, and the test results.

3.E. WELL WORKOVER OPERATIONS: Pursuant to 20.6.2.5205A(5) NMAC, the Permittee shall provide notice to and shall obtain approval from OCD's Office in Hobbs and the Engineering Bureau prior to commencement of any remedial work or any other workover operations to allow OCD the opportunity to witness the operation. The Permittee shall request approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Engineering Bureau and Hobbs Office. Properly completed Forms C-103 and/or C-105 must be filed with OCD upon completion of workover activities and copies included in that year's Annual Report.

3.F. FLUIDS INJECTION AND BRINE PRODUCTION VOLUMES AND PRESSURES: The Permittee shall continuously monitor the volumes of water injected and brine production. The Permittee shall submit monthly reports of its injection and production volumes on or before the 10th day of the following month via the electronic OCD Form C-115 submittal process (hardcopies to be provided upon request of OCD and in annual reports per Permit Condition 2.J). The Permittee shall suspend injection if the monthly injection volume is less than 110% or greater than 120% of associated brine production. If such an event occurs, the Permittee shall notify OCD within 24 hours.

3.G. AREA OF REVIEW (AOR): The Permittee shall report within 72 hours of discovery any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class III well. OCD shall be notified within 24 hours of having knowledge of any wells lacking cement within the cavern interval within a ½-mile radius from the Class III well.

4. CLASS V WELLS: Pursuant to 20.6.2.5002B NMAC, leach fields and other waste fluids disposal systems that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste. Pursuant to 20.6.2.5005 NMAC, the Permittee shall close any Class V industrial waste injection well that injects non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (e.g., septic systems, leach fields, dry wells, etc.) within 90 calendar days of the issuance of this Discharge Permit. The Permittee shall document the closure of any Class V wells used for the disposal of non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes other than contaminated ground water in its Annual Report. Other Class V wells, including wells used only for the injection of domestic wastes, shall be permitted by the New Mexico Environment Department.

5. SCHEDULE OF COMPLIANCE:

5.A. ANNUAL REPORT: The Permittee shall submit its annual report to OCD by June 1st of each year.

5.B. BONDING OR FINANCIAL ASSURANCE: The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its UIC Class III well, conduct ground water restoration if applicable, and any post- operational monitoring as may be needed (see 20.6.2.5210B(l7) NMAC) within 90 days of permit issuance (See 20.6.2.5210B(l7) NMAC), and/or the Closure Plan addresses this requirement and is approved by OCD. The Permittee's cost estimate shall be based on third person estimates and included in the Closure Plan with the application. OCD will require the Permittee to submit a single well plugging bond based on the approved third person cost estimate for OCD approval before OCD may issue approval to drill and construct the well (also see Permit Conditions 2.D and 2.I).

5.C. SURFACE SUBSIDENCE MONITORING PLAN: The Permittee shall submit the Surface Subsidence Monitoring Plan required in accordance with Permit Condition 2.B. l within 180 days of permit issuance for OCD approval unless it has already been approved by OCD. Monitoring information and data shall be reported under Permit Condition 2.J.

5.D. SOLUTION CAVERN CHARACTERIZATION PLAN: The Permittee shall submit the Solution Cavern Characterization Plan required in accordance with Permit Condition 2.B.2 within 180 days of permit issuance for OCD approval unless it has already been approved by OCD. Characterization information and data shall be reported under Permit Condition 2.J.

NOTICE OF PUBLICATION
July 31, 2022

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Engineering Bureau- Underground Injection Control Group Manager of the New Mexico Oil Conservation Division ("OCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 660-8274 or E-mail: Phillip.Goetze@state.nm.us.

(BW-36/Facility ID# fCJC2116031873) HRC, Inc., Gary Schubert, Owner, P.O. Box 5102, Hobbs, NM 88241, has submitted a new application for an Underground Injection Control (UIC) Class Ill Brine Well Discharge Permit for the "Schubert Farms Brine Well No. 1" (API# 30·025·37548), located 330 FNL and 1650 FEL, UL: B Section 25, Township 19 South, Range 38 East (Lat. N 32.63760°, Long.: W 103.09880°), NMPM, Lea County, New Mexico. The injection well is located approximately 1.9 miles E-NE of Nadine, NM or 1.7 miles E of the intersection of Hwy- 18 (S. Eunice Hwy.) and 0.95-mile N of Hwy- 56.

Freshwater is injected down a 2 7/8 inch tubing set at 2,680 ft. bgl. into the salt cavern. Brine fluid will be produced up the 5 1/2 inch well casing at 2,650 ft. backed by cement to surface, metered, and piped 2 miles thru subsurface polyethylene pipeline to the brine station for sale. The brine station or sales terminal is located approximately 1.1 miles SW of the brine well at 1914 East Nadine Rd., Hobbs, NM 88240. The brine station is already permitted by the applicant under "BW-31" using a separate brine well facility.

This fluid flow process described above is termed a "normal flow condition" and is required by OCD to maintain a salt cavern structural configuration for development and maximum stability over time. Fresh and/or recycled water from a produced water purification facility located NE of the Brine Station is transported via two 3-inch poly lines to the brine well for injection into the Salado Salt Formation in the injection interval from 2,650 ft. to 2,680 ft. bgl (below fresh groundwater). Another freshwater injection source is derived from a nearby "Ogallala Formation" irrigation well. The existing 5 1/2 in. well production casing extends to 5,460 ft. bgl with bridge plugs set at 5,260 ft., 5,200 ft., 5,150 ft., 3,580 ft., 2,750 ft., and 2,667 ft. bgl. Tubing sidetracks the casing through a window cut from 2,650 – 2,661 ft. in the salt zone above the Yates Formation contact at 2,855 ft. bgl.

The water supply line is connected to the suction side of a pump, which pumps recycled and/or fresh water down the 2 7/8 in. tubing within the 5 1/2 in. well production casing and through a constructed breach in the casing at a depth of about 2,650 ft. bgl with tubing positioned laterally away from the well casing. Fresh water will be injected at a rate of approximately 15 - 45 gpm at a normal operating surface Injection pressure range of 210 - 250 psig. The maximum surface injection pressure allowed is 333 psig. Brine (313,000 ppm Total Dissolved Solids- TDS) Is produced up the well annulus between the injection tubing and well casing. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 50 – 70 ft. bgl with a TDS concentration of approximately 700 ppm. The discharge permit addresses well construction, operation, monitoring, cavern configuration, ground subsidence, associated surface facilities, financial assurance, and provides a contingency plan In the event of an accidental discharge.

The OCD has determined that the application is administratively complete and has prepared a draft permit. The OCD will accept comments and statements of interest regarding this application and will create a facility specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Engineering Bureau- UIC Group Manager of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the OCD web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact the OCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en espan□ol, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservacio´n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Laura Tulk, 505-629-6116).

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 31st day of July 2022.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Adrienne Sandoval, Director