

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



Ramona Hovey
Milestone Environmental Services, LLC
E-mail: ramona@lonquist.com

RE: Injection Pressure Increase; Order IPI-536
Beaza SWD No. 1 (30-025-49600)
Injection Authority: Order No. R-21441
SWD;BELL CANYON-CHERRY CANYON (pool code: 96802)
UIC Class II Disposal Well

Dear Ramona Hovey:

Reference is made to your request on behalf of Milestone Environmental Services, LLC (OGRID 328435; the “Operator”) for the application received June 16, 2022, to increase the maximum surface injection pressure (“MSIP”):

Well No.	API Number	UL-S-T-R	Injection Authority	Existing MSIP Limit (psi)	Existing Tubing OD (in)
Beaza SWD #1	30-025-49600	H-25-24S-34E	R-21441 SWD-2034	1100	4.5

It is the Oil Conservation Division’s (“OCD”) understanding that the requested pressure increase is needed to maintain the rate of injection and this pressure increase will not result in:

1. the fracturing of the permitted disposal interval;
2. the fracturing of either the upper or lower confining strata; or
3. induced-seismic events as a consequence of the higher injection pressure.

Based on the results of the submitted step rate injection test, the following shall be the new pressure limit while equipped with injection tubing:

Administrative Order IPI-536
 Milestone Environmental Services, LLC
 Page 2 of 2

Well No.	Step Rate Test Date	New MSIP Limit (psi)	While Injecting	Injection Interval (ft)	Pressure Gradient (psi/ft)
Beaza SWD #1	4/4/2022	2000	Slurry	5558-7208	0.36

This approval is based on the provision that the tubing size, packer setting depth and completion interval for the well does not change. Any future requested pressure increase will require resubmission of additional data and/or a new step-rate test. The Director retains the right to require, at any time, wireline verification of completion and packer setting depths in the well. This approval is subject to the Operator being in compliance with all other OCD rules including, but not limited to, Rule 19.15.5.9 NMAC.

The MSIP for the Beaza SWD No. 1 shall not exceed 2,000 pounds per square inch ("psi") for the operation following the issuance of this Order. After twelve (12) months of injection, the Operator shall submit a Form C-103 notice of intent ("NOI") to conduct a step-rate test and injection profile log on the Beaza SWD No. 1. No later than ninety (90) days after the NOI has been approved by the OCD, the Operator shall conduct the test and run the log. No later than ninety (90) days after the step-rate test has been conducted and the injection profile log has been run, the Operator shall submit a subsequent report summarizing the results (including field measurements) to the OCD. The OCD shall review the MSIP of this Order and the results to confirm that the injectate is being confined to the injection interval and that fracturing of the permitted disposal interval or confining strata is not occurring. The Director shall retain the authority to amend this Order should the results suggest that the injectate is not being confined, or that fracturing of the permitted disposal interval or confining strata is occurring.

Further, as stipulated in Order R-21441, the limitation of injection into the Beaza SWD No. 1 of not exceeding 10,000 barrels per day remains in full force and effect.

Further, the Director may rescind any injection pressure increase permit if it becomes apparent that the injectate is not being confined to the permitted disposal interval, impacts correlative rights, is endangering any freshwater aquifer or endangers public health and safety.

Sincerely,



ADRIENNE SANDOVAL
 Director

DATE: 9/14/2022

cc: Case File 20657
 Order SWD-2034
 Well file 30-025-49600
 New Mexico State Land Office, OGML

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 143341

CONDITIONS

Operator: Milestone Environmental Services, LLC 15721 Park Row Houston, TX 77084	OGRID: 328435
	Action Number: 143341
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	None	9/14/2022