

Application

Part *II*



**Attachment to C-108**  
**Permian Oilfield Partners, LLC**  
**Torrent Federal SWD #1**  
**916' FSL & 249' FWL**  
**Sec 4, T26S, R34E**  
**Lea County, NM**

July 12, 2019

**STATEMENT REGARDING SEISMICITY**

Examination of the USGS and TexNet seismic activity databases has shown minimal historic seismic activity in the area (< 30 miles) of our proposed above referenced SWD well as follows:

1. M2.6, 2017-05-03, 26.98 miles away @ 87.78 deg heading
2. M4.6, 1992-01-02, 28.98 miles away @ 50.18 deg heading
3. M3.3, 2001-06-02, 27.09 miles away @ 47.35 deg heading
4. M2.9, 1984-12-09, 14.26 miles away @ 342.70 deg heading
5. M3.1, 2012-03-18, 28.13 miles away @ 301.78 deg heading

Permian Oilfield Partners does not own any 2D or 3D seismic data in the area of this proposed SWD well. Our fault interpretations are based on well to well correlations and publicly available data and software as follows:

1. USGS Quaternary Fault & Fold database shows no quaternary faults in the nearby area.
2. Based on offset well log data, we have not interpreted any faults in the immediate area.
3. Basement PreCambrian faults are documented in the Snee & Zoback paper, "State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity", published in the February 2018 issue of the SEG journal, The Leading Edge, along with a method for determining the probability of fault slip in the area.
4. Fault data was also correlated to the publicly available USGS GIS geologic units & structural features database, to Ewing's 1990 Tectonic map of Texas (via Ruppel's 2005 Preparation of Maps Depicting Geothermal Gradient and PreCambrian Structure in the Permian Basin), and to fault maps as published in the New Mexico Geological Society Special Publication 13A, "Energy and Mineral Resources of New Mexico: Petroleum Geology," by R. F. Broadhead, 2017.
5. Even though we do not propose to inject into the PreCambrian, Permian Oilfield Partners ran modeling to check for fault slip assuming the improbable occurrence of a total

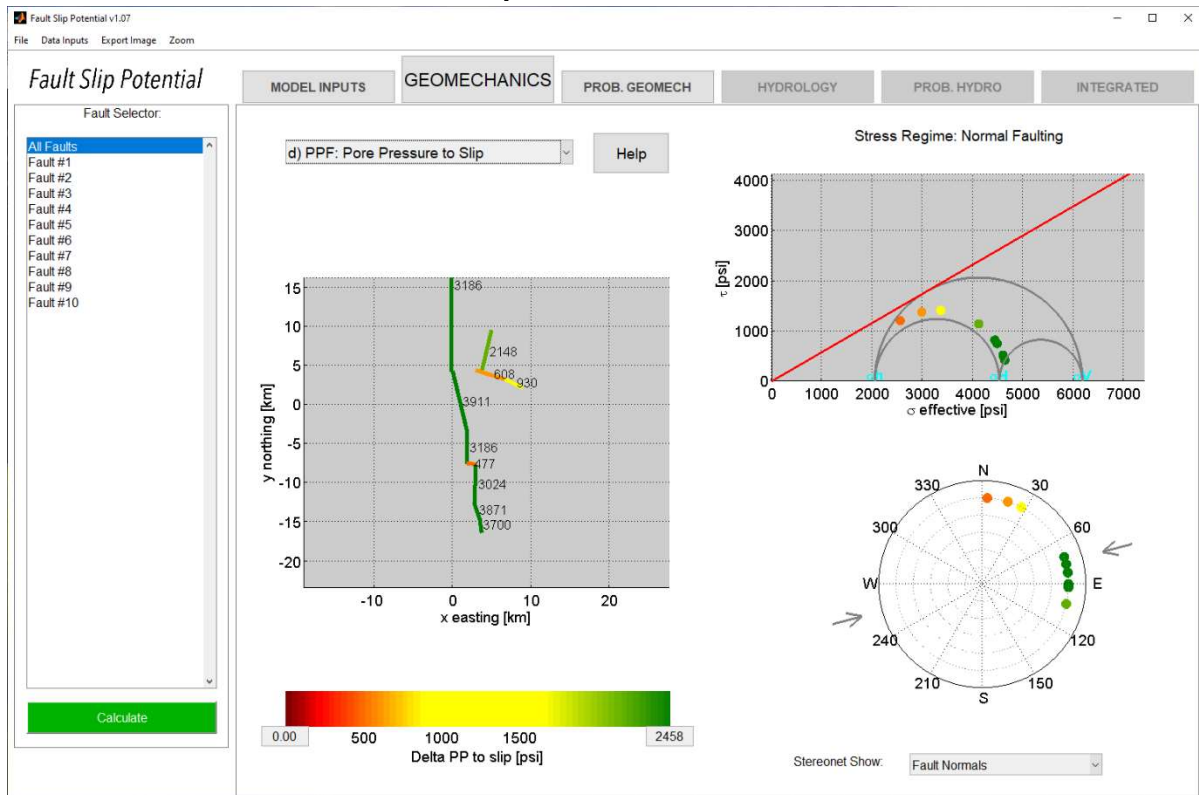
downhole well failure that would allow 100% of injected fluids to enter the PreCambrian. Software as discussed in #3 from the Stanford Center for Induced and Triggered Seismicity, "FSP 1.0: A program for probabilistic estimation of fault slip potential resulting from fluid injection", was used to calculate the probability of the PreCambrian fault being stressed so as to create an induced seismic event, with the following assumptions:

- a. Full proposed capacity of 50,000 BBL/day for 30 years
  - b. 12.5 mD average permeability, 3% average porosity, .75 psi/ft stress gradient, .47 psi/ft hydrostatic gradient
  - c. A-phi=0.60 & Max Horizontal Stress direction 75 deg N, as per Snee, Zoback paper noted above.
6. The distance from the proposed injection well to the nearest basement fault is approximately 1 km. The probability of an induced seismic event in the PreCambrian is calculated to be 0% after 5, 10, 20, & 30 years as per the FSP results screenshots below.
  7. The analysis below assumes an improbable well failure through the Montoya & Simpson barrier zones, through the Ellenburger & Cambrian permeable zones, into the PreCambrian. When the injected fluids stay in the Devonian-Silurian zone as per design, there will be very low probability of fault slip, since there are no known nearby faults within the Devonian-Silurian.

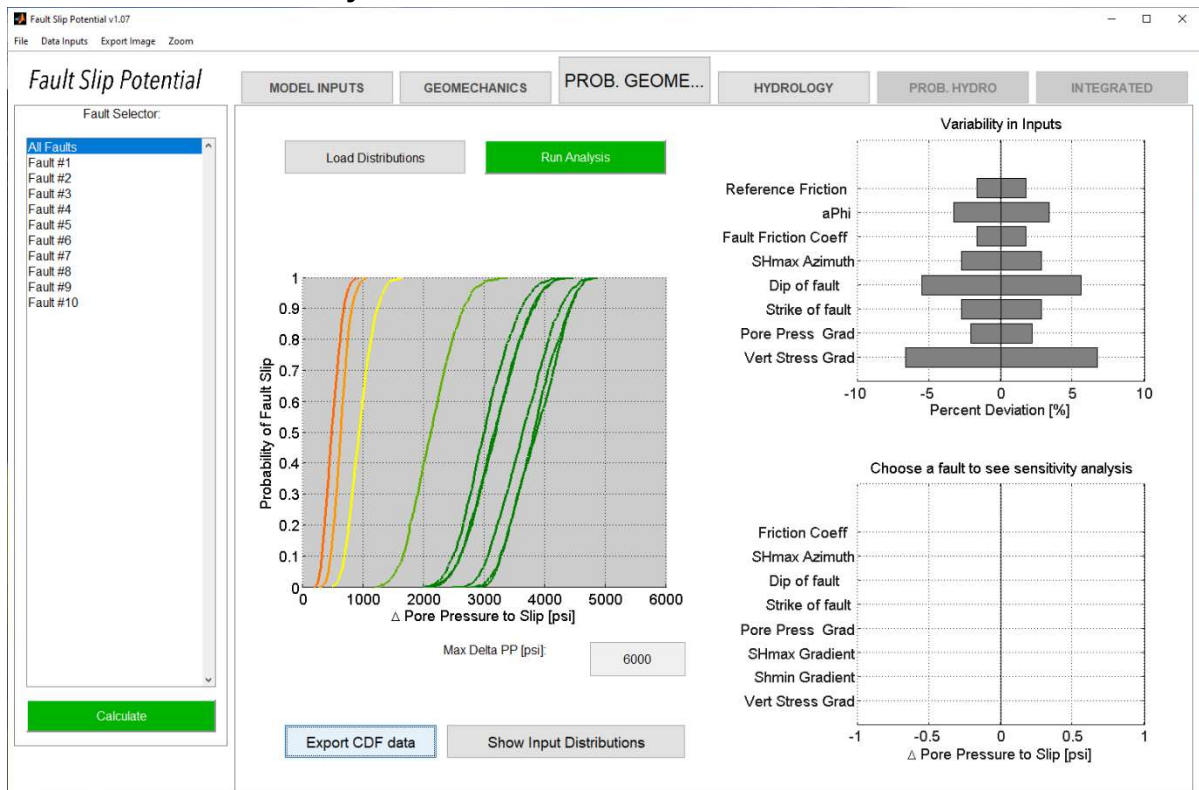
**Input assumptions:**

Rate (BBL/day)	50000
Interval height (ft)	1500
Average Porosity (%)	3
Vert stress gradient (psi/ft)	0.75
Hor stress direction (deg N)	75
Fault dip (deg)	75
Ref depth (ft)	22050
Initial res press gradient (psi/ft)	0.47
A phi	0.6
Friction coefficient	0.58
Weighted average perm	12.5
Fluid density (kg/m3)	1100
Dynamic viscosity	0.0003
Fluid compressibility (/Pa)	4 e-10
Rock compressibility (/Pa)	1.08 e-09

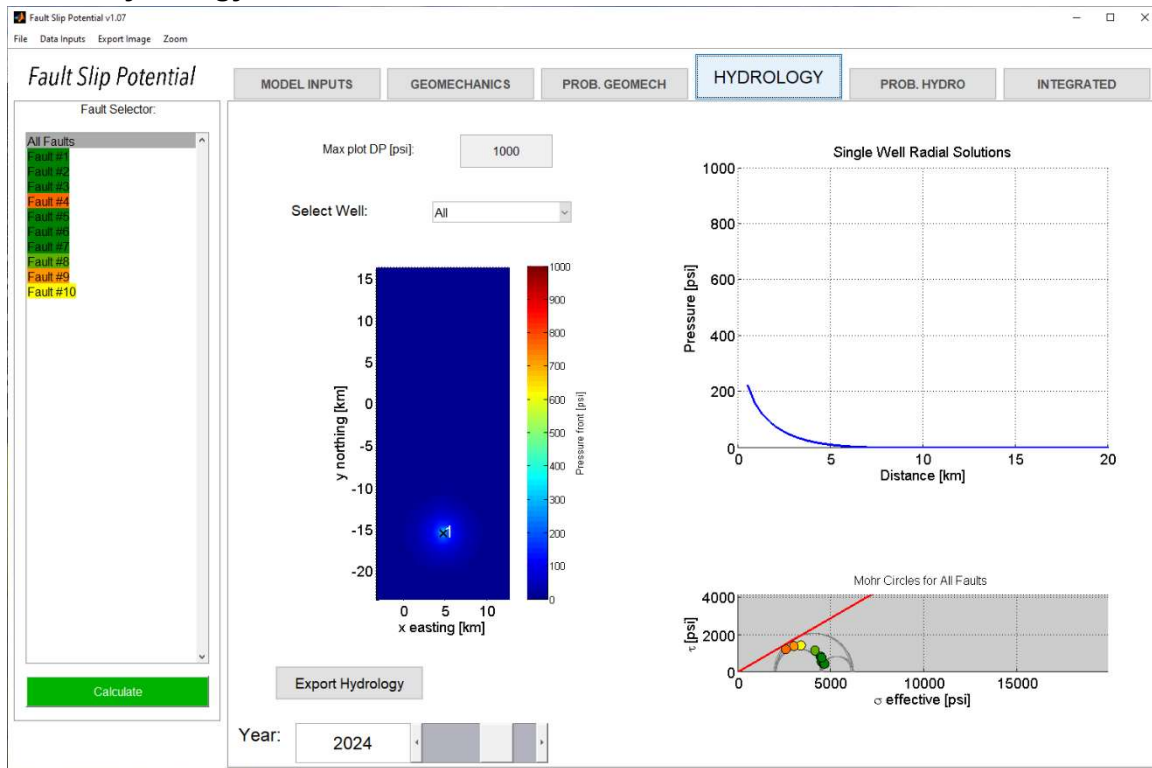
## Geomechanics Pore Pressure to Slip



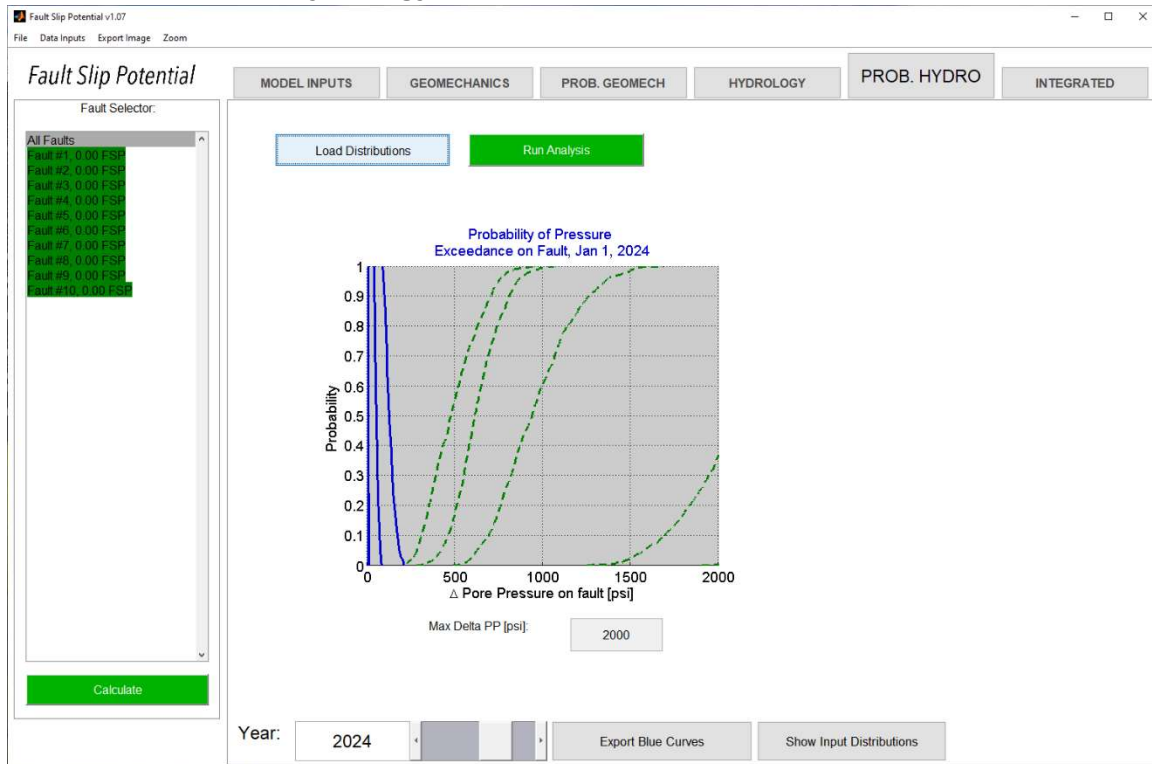
## GeoMechanics Variability



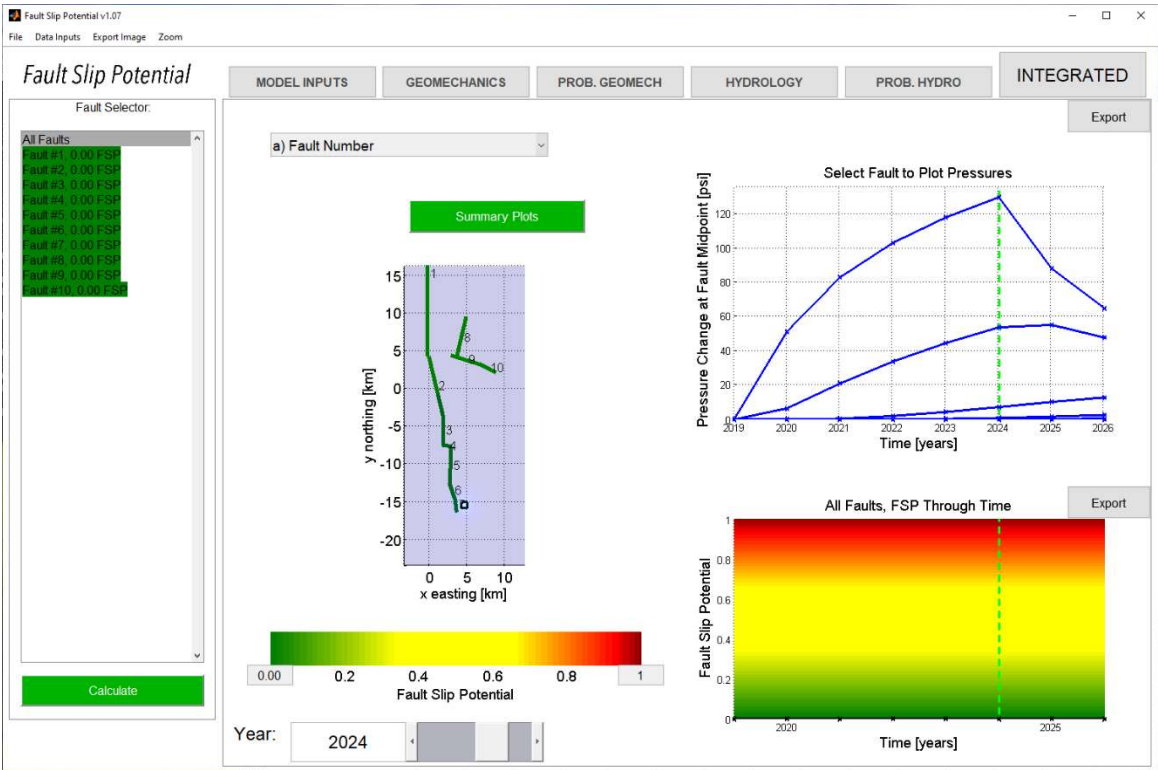
## Year 5 Hydrology



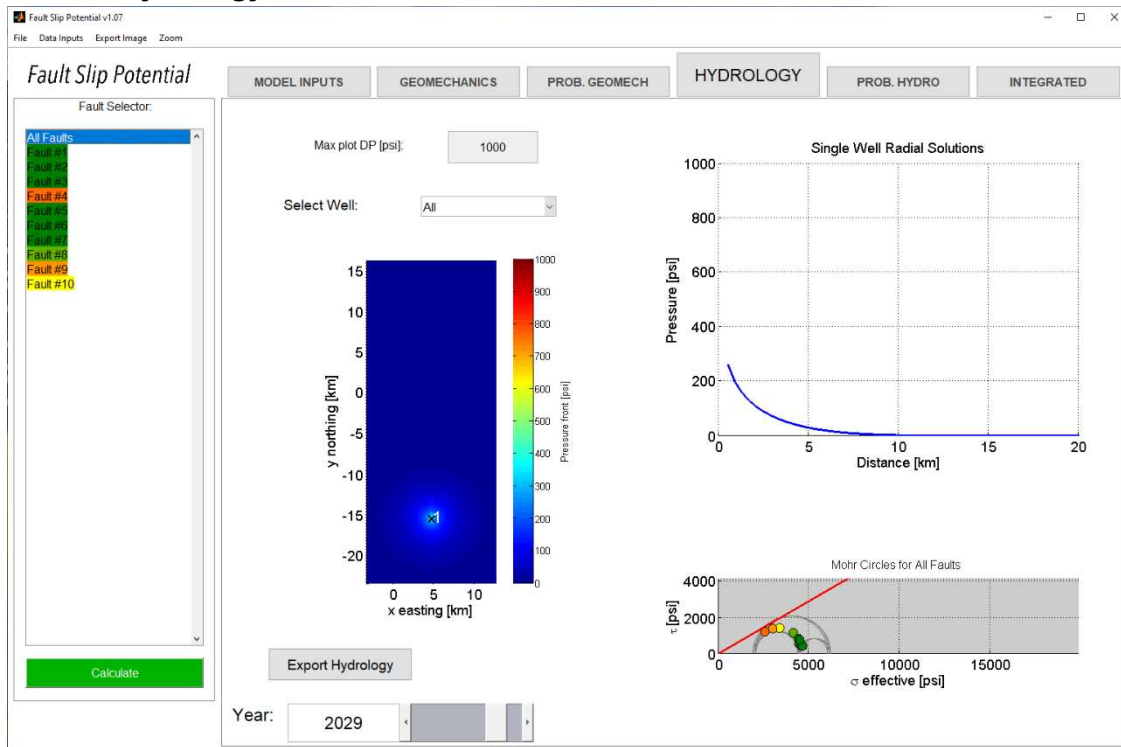
## Year 5 Probabilistic Hydrology (note no crossover between blue delta-press. & green fault slip press.)



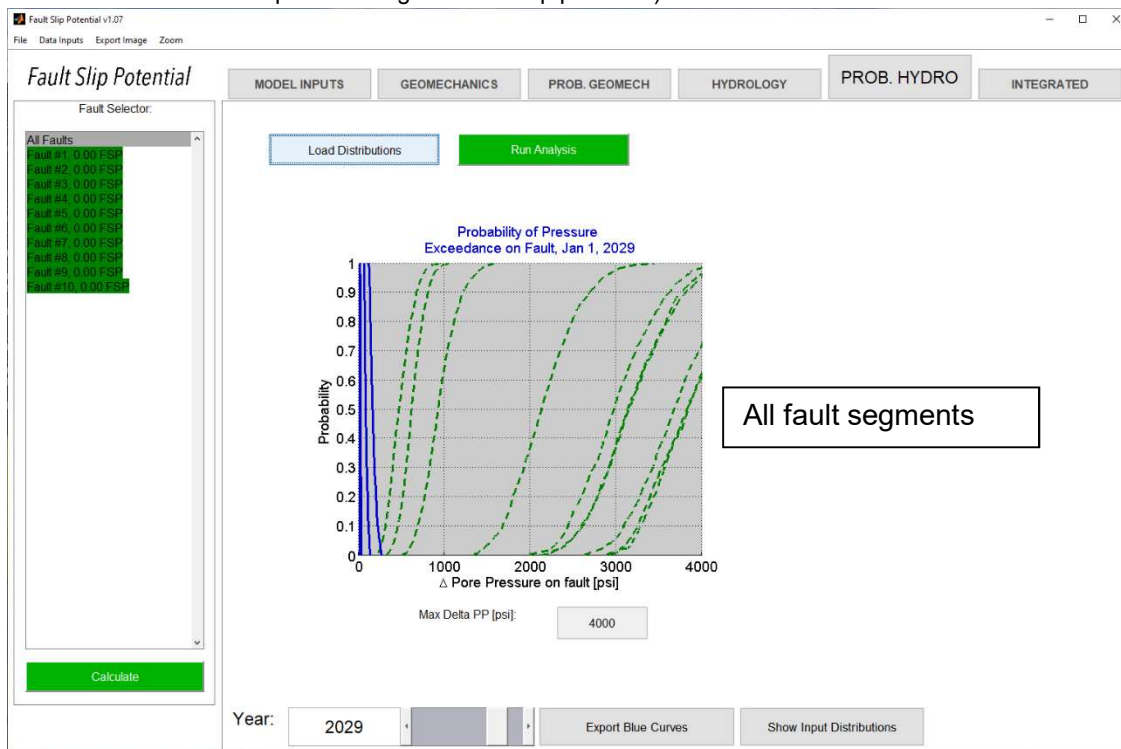
Year 5 Fault Slip Probability (0% for all fault segments after 5 years)



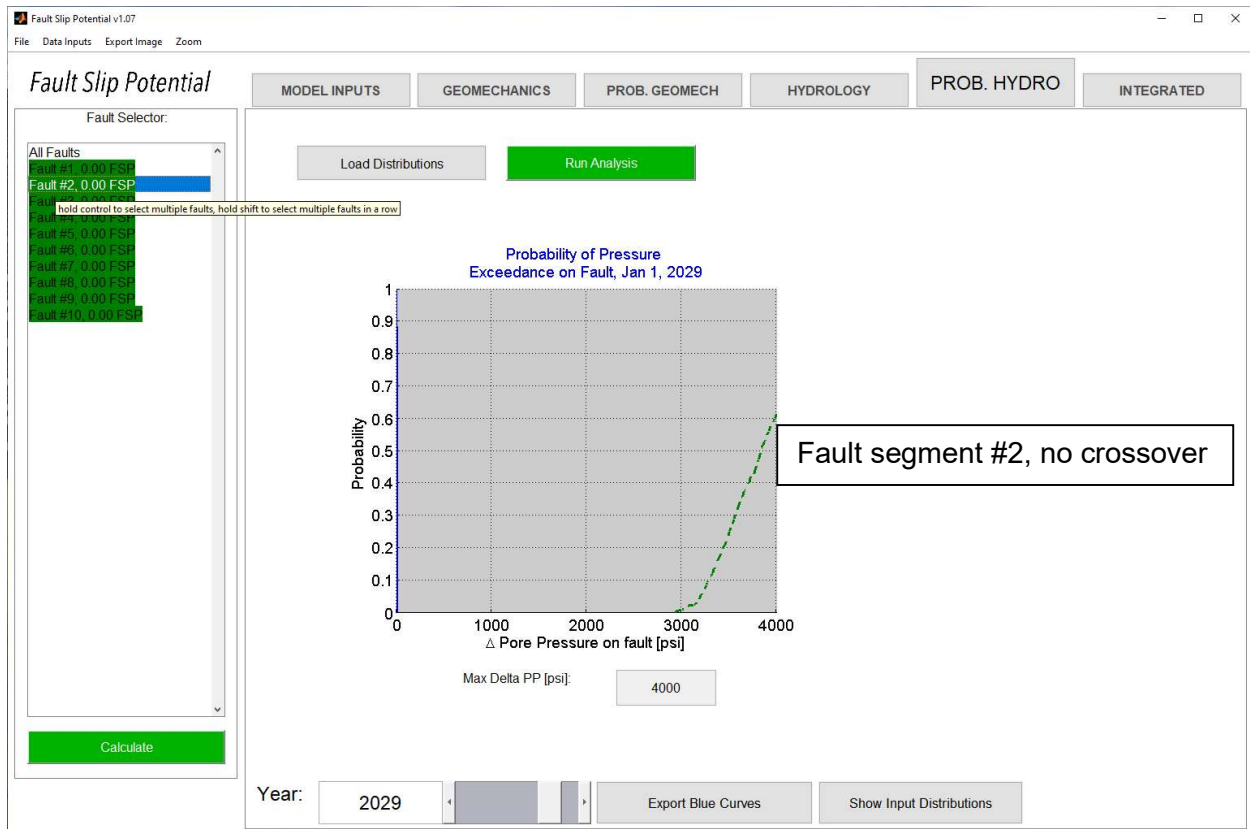
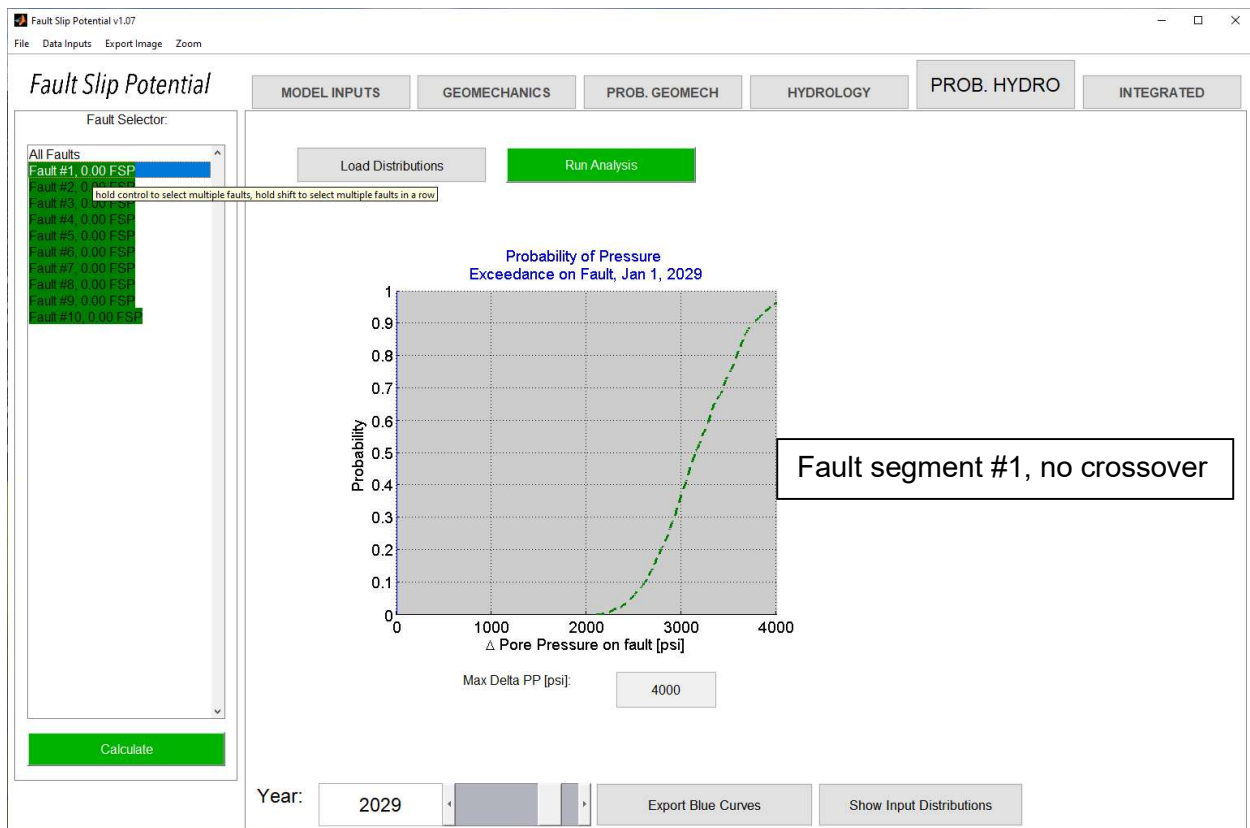
## Year 10 Hydrology



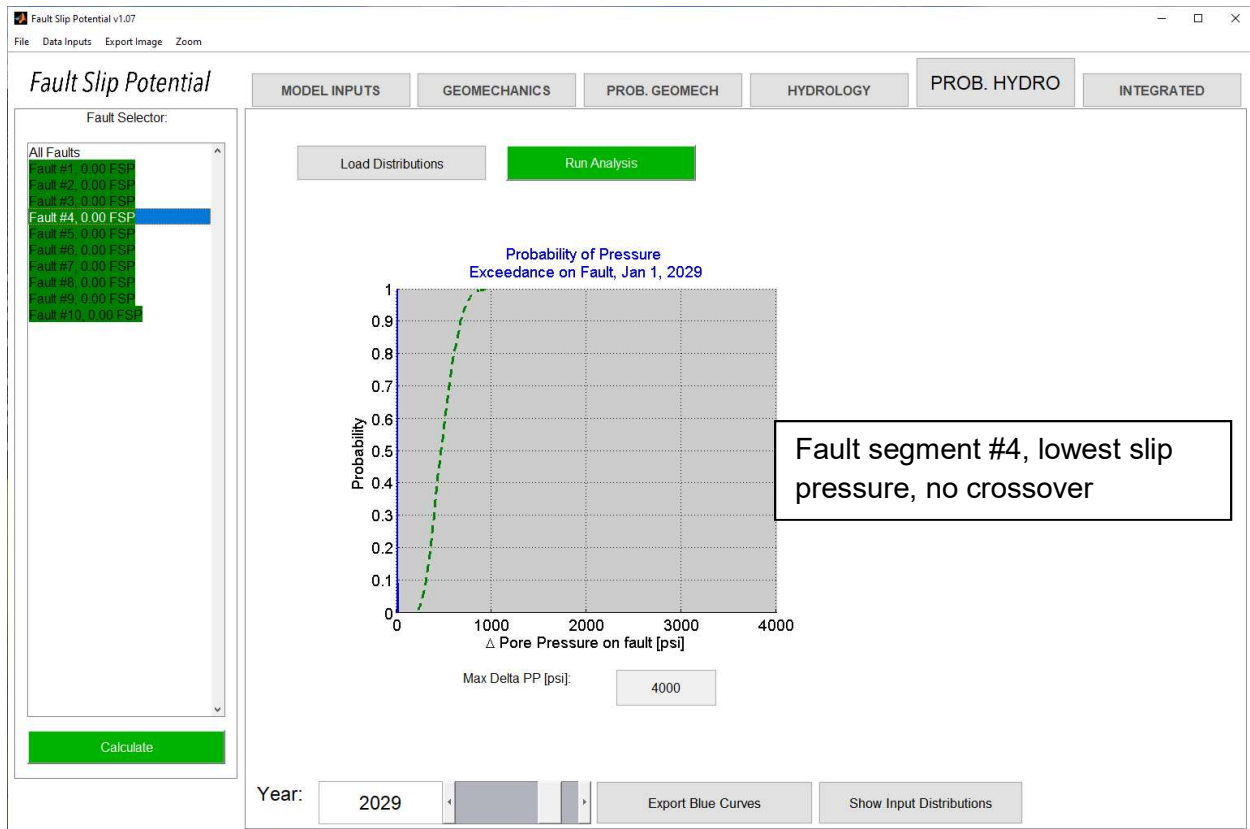
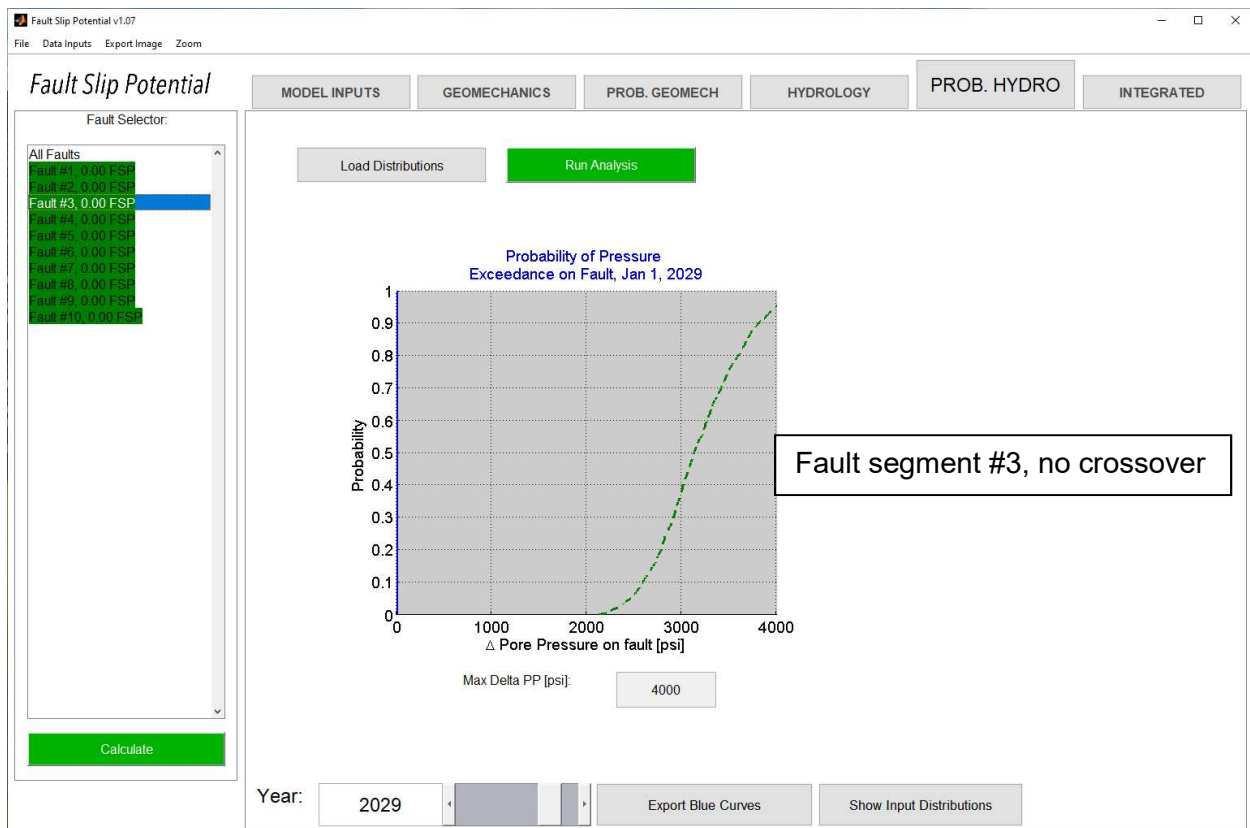
**Year 10 Probabilistic Hydrology** (note that crossover between blue delta-press. & green fault slip press. is due to display of multiple fault segment data on same chart. Fault segments displayed separately below show no crossover between delta-pressure & green fault slip pressure)

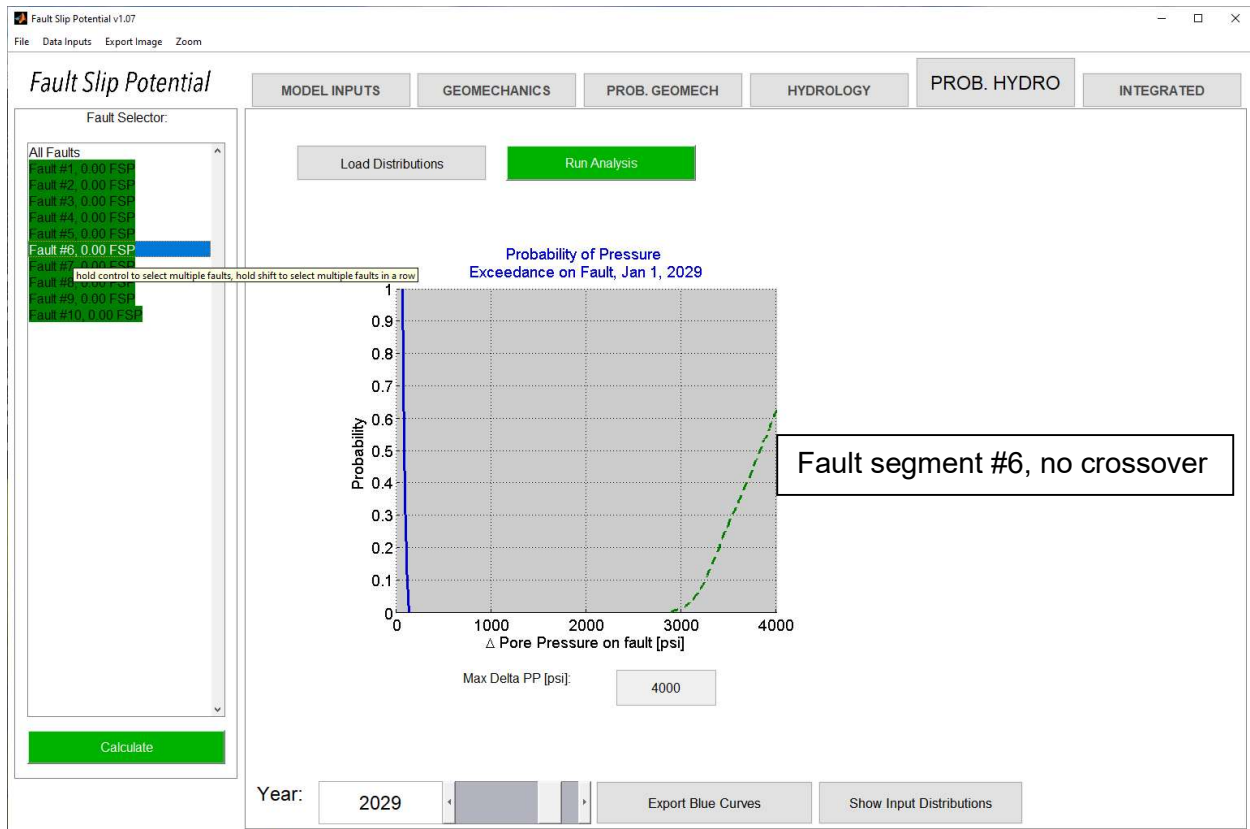


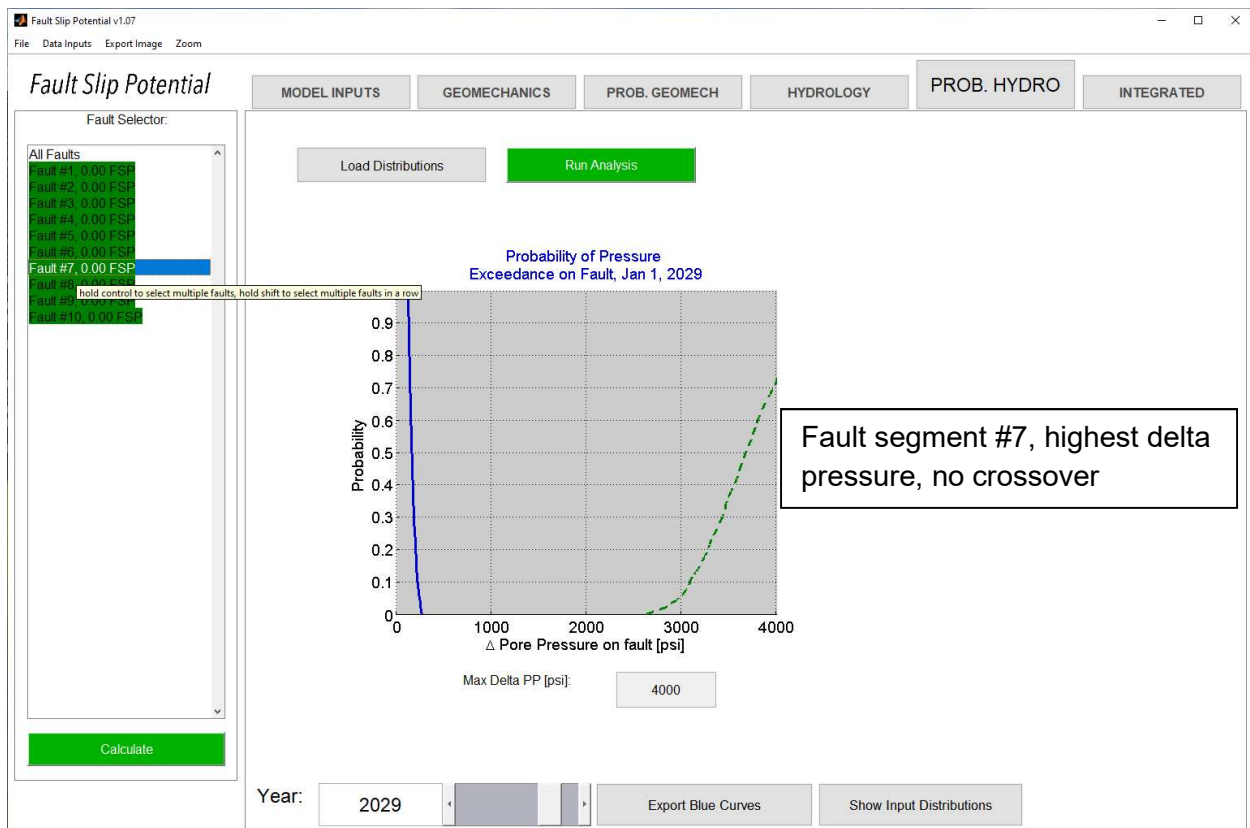


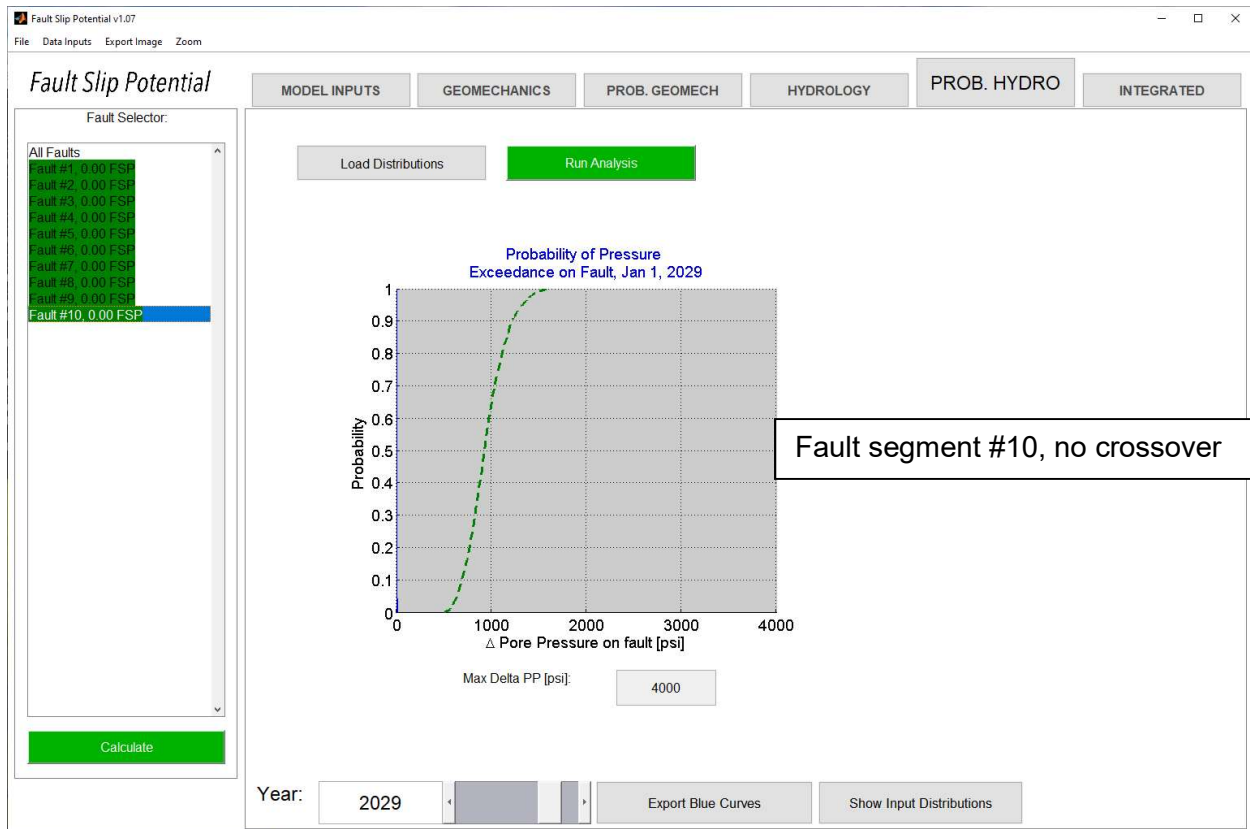
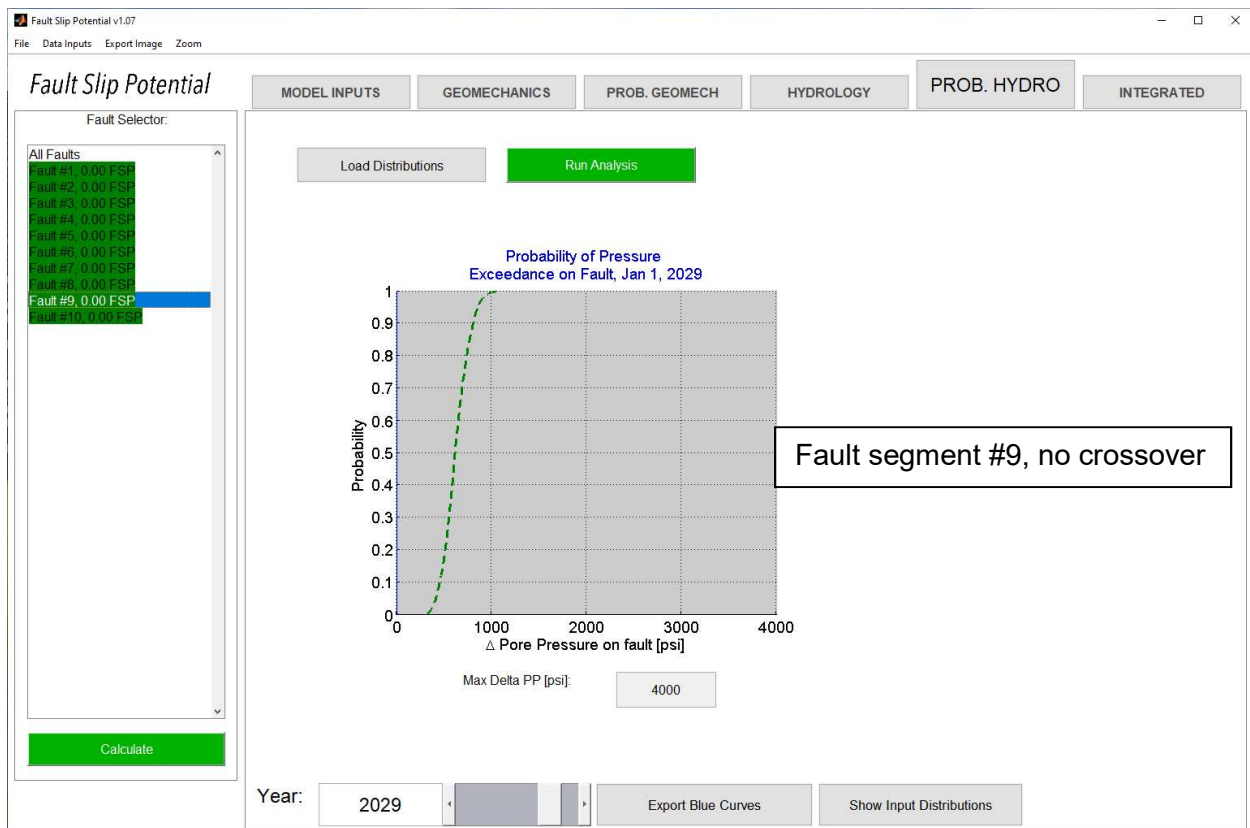




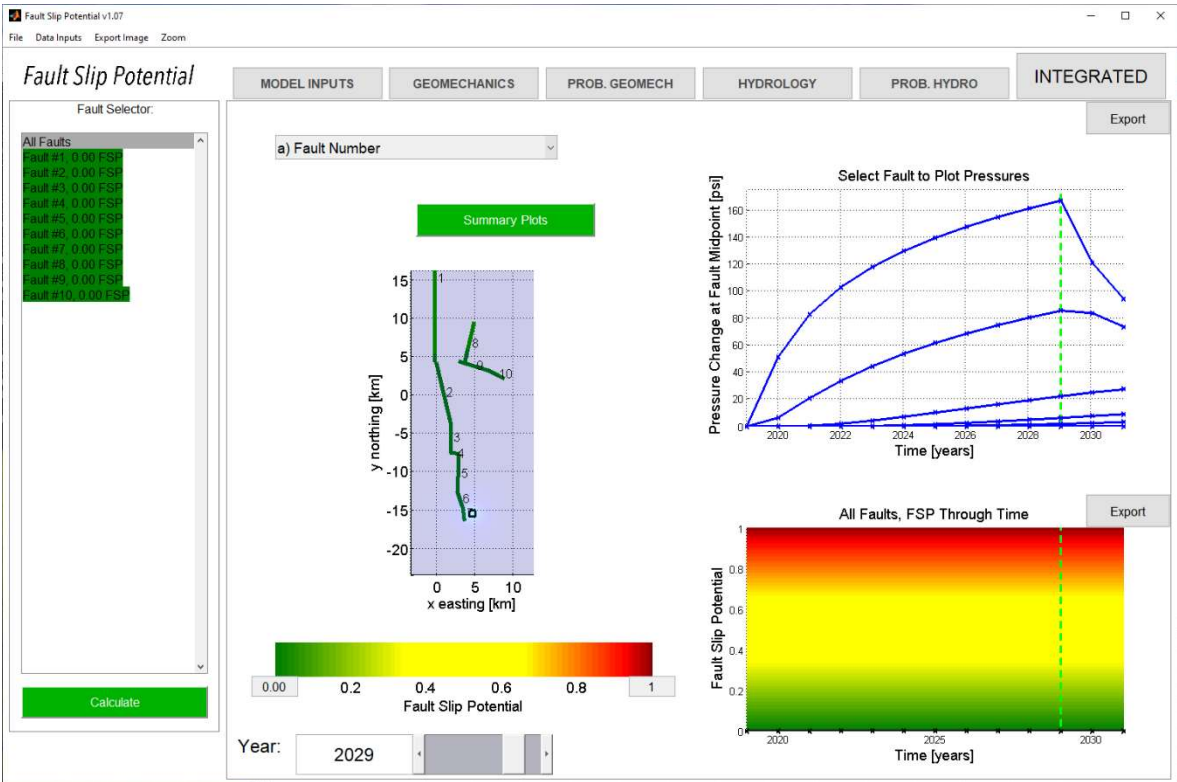




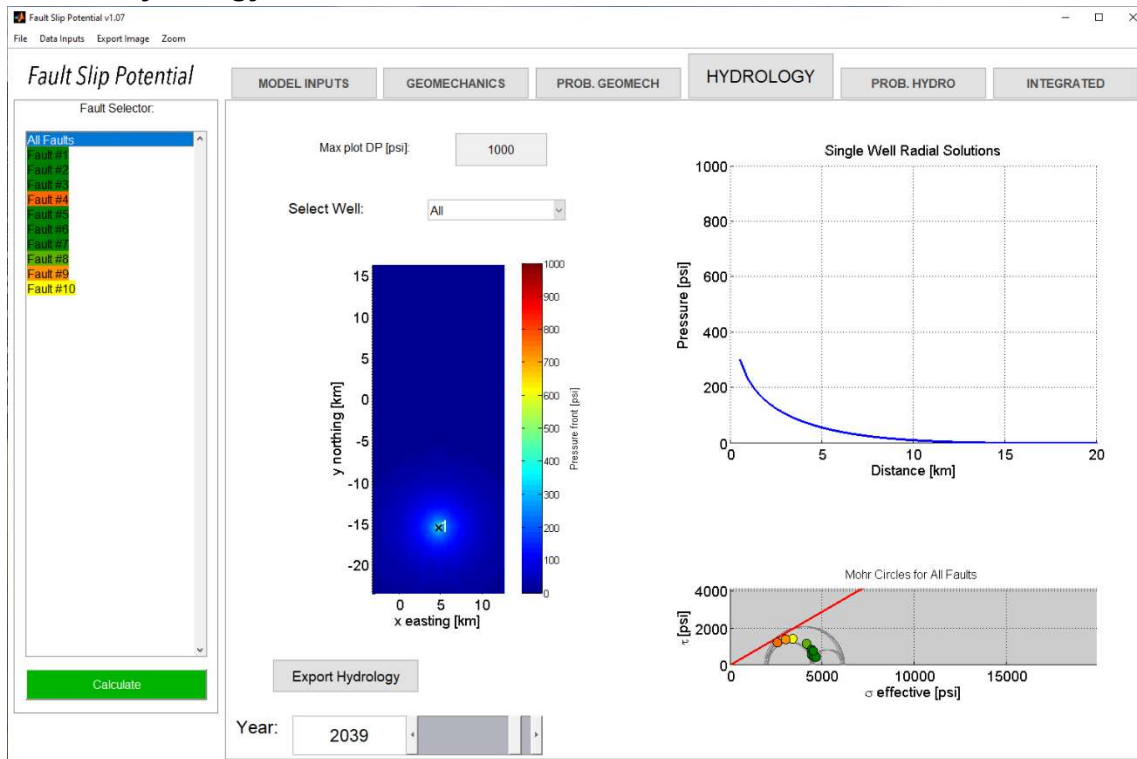




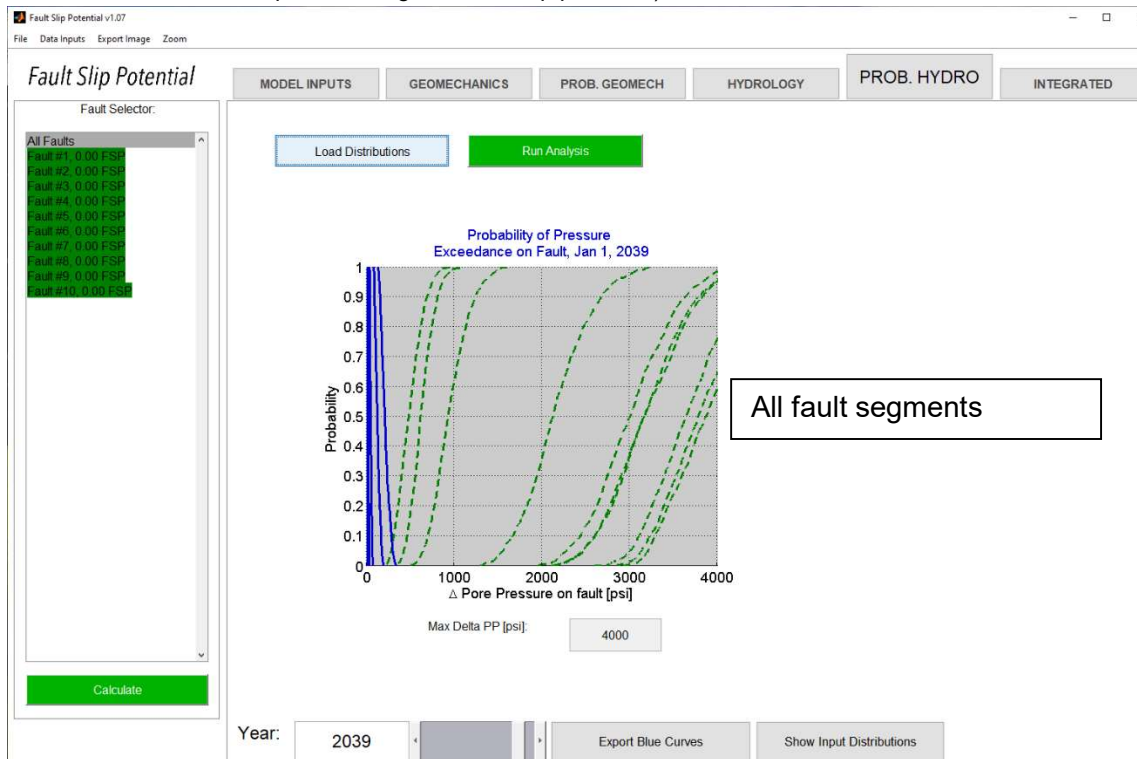
Year 10 Fault Slip Probability (0% for all fault segments after 10 years)

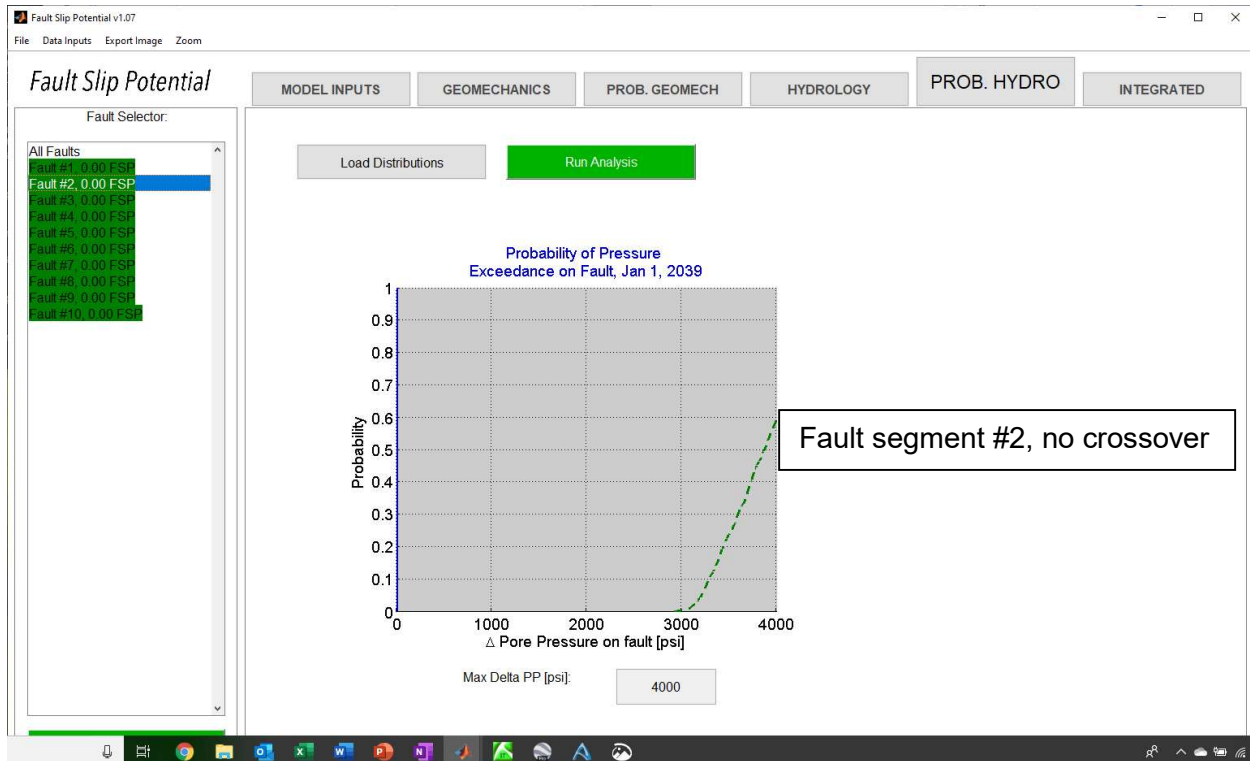
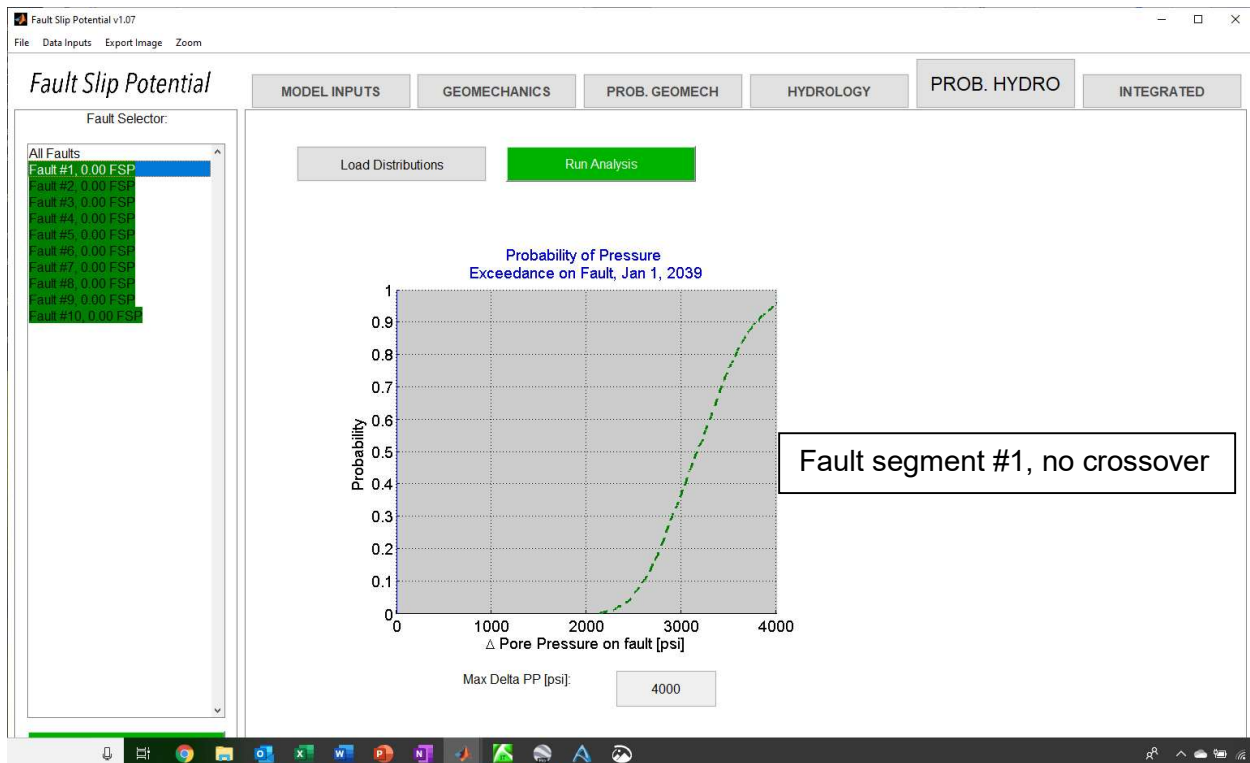


## Year 20 Hydrology

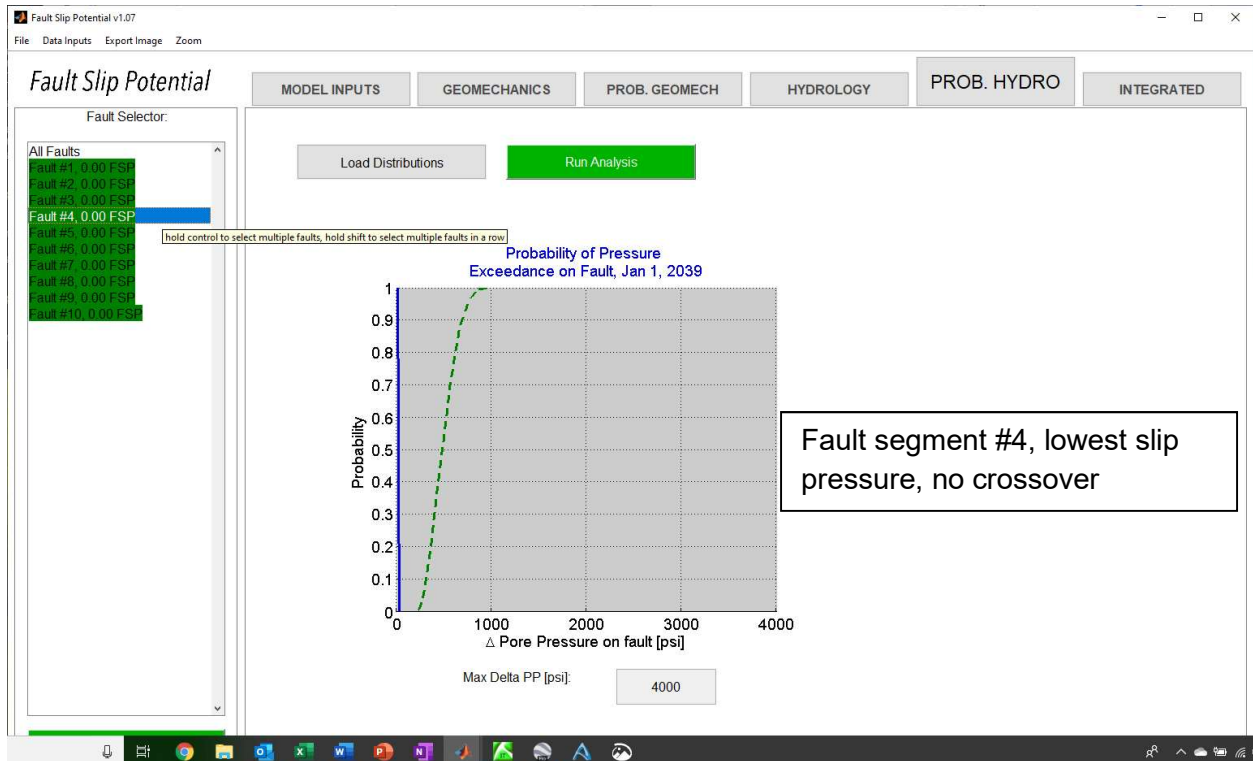
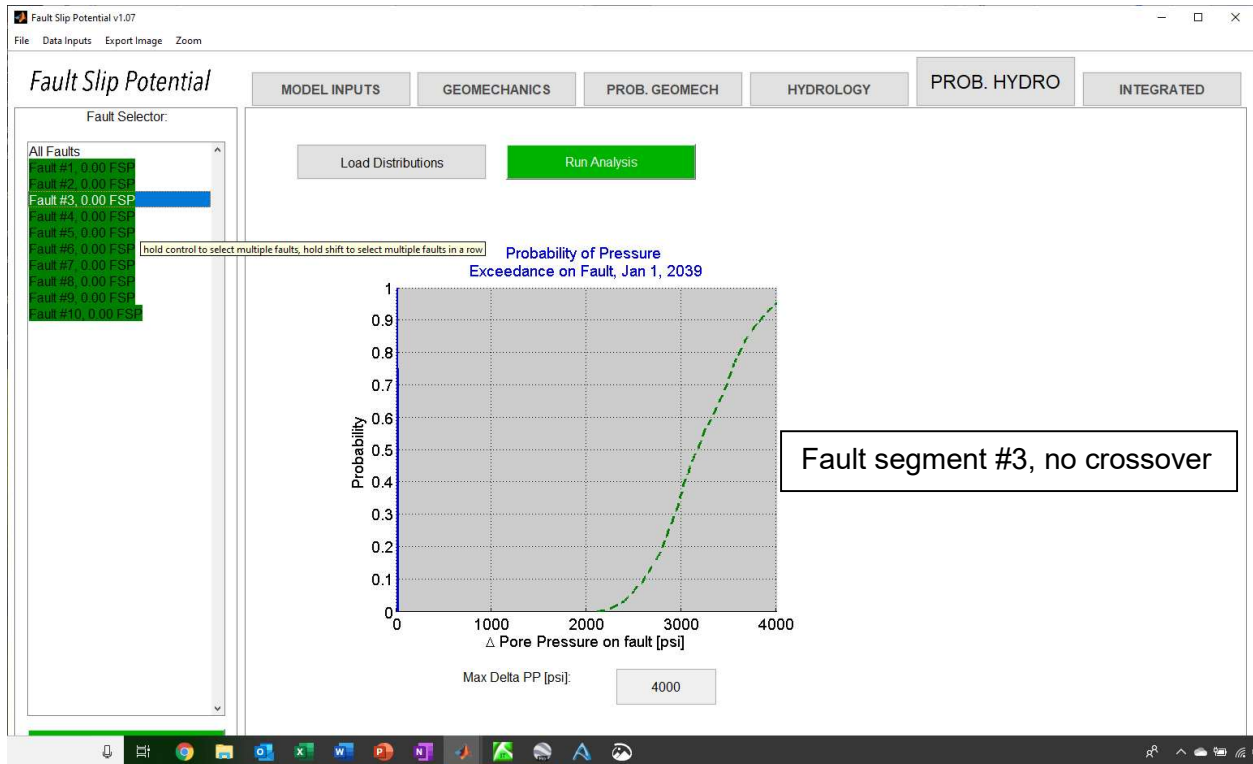


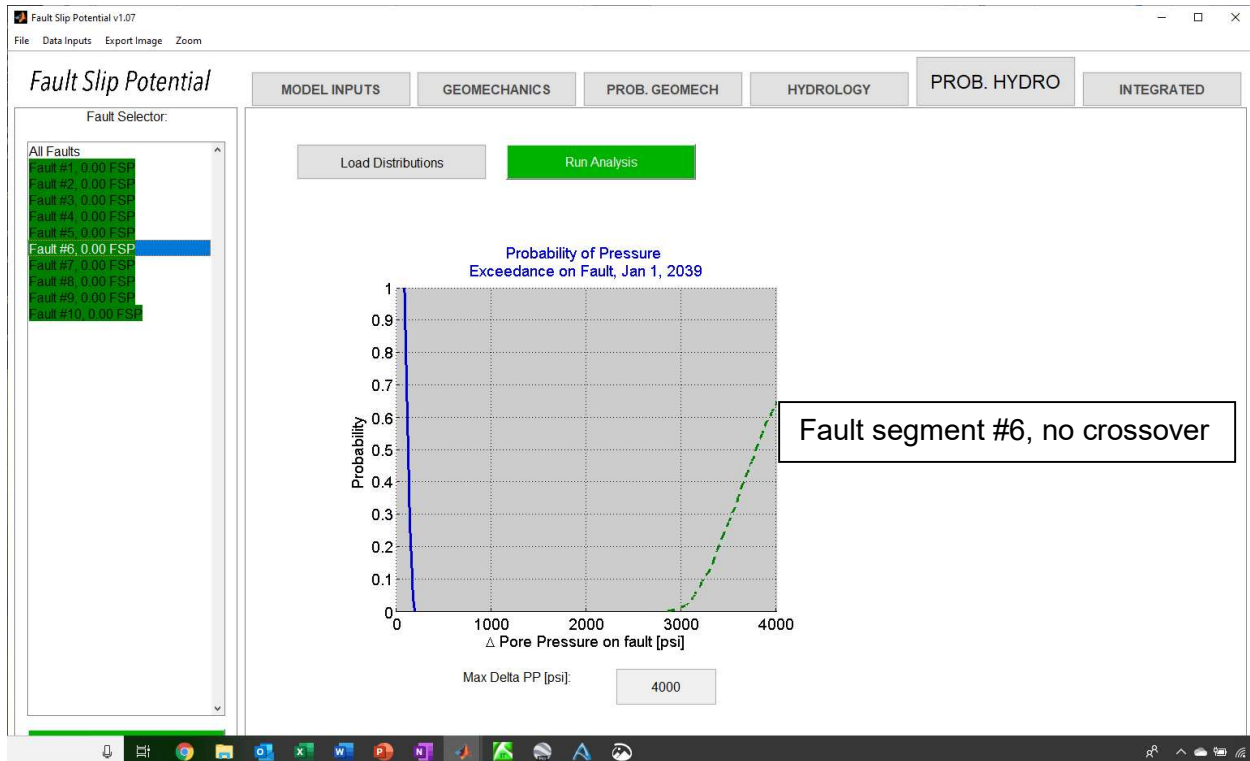
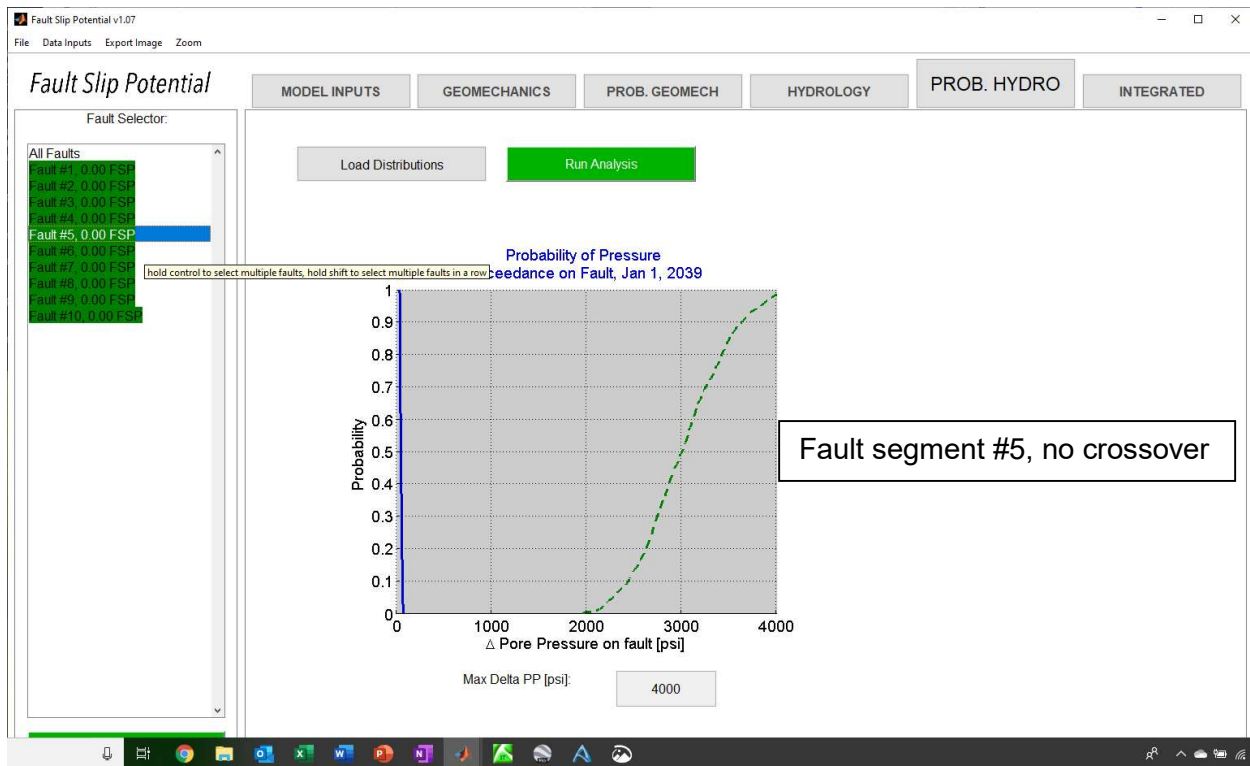
**Year 20 Probabilistic Hydrology** (note that crossover between blue delta-press. & green fault slip press. is due to display of multiple fault segment data on same chart. Fault segments displayed separately below show no crossover between delta-pressure & green fault slip pressure)

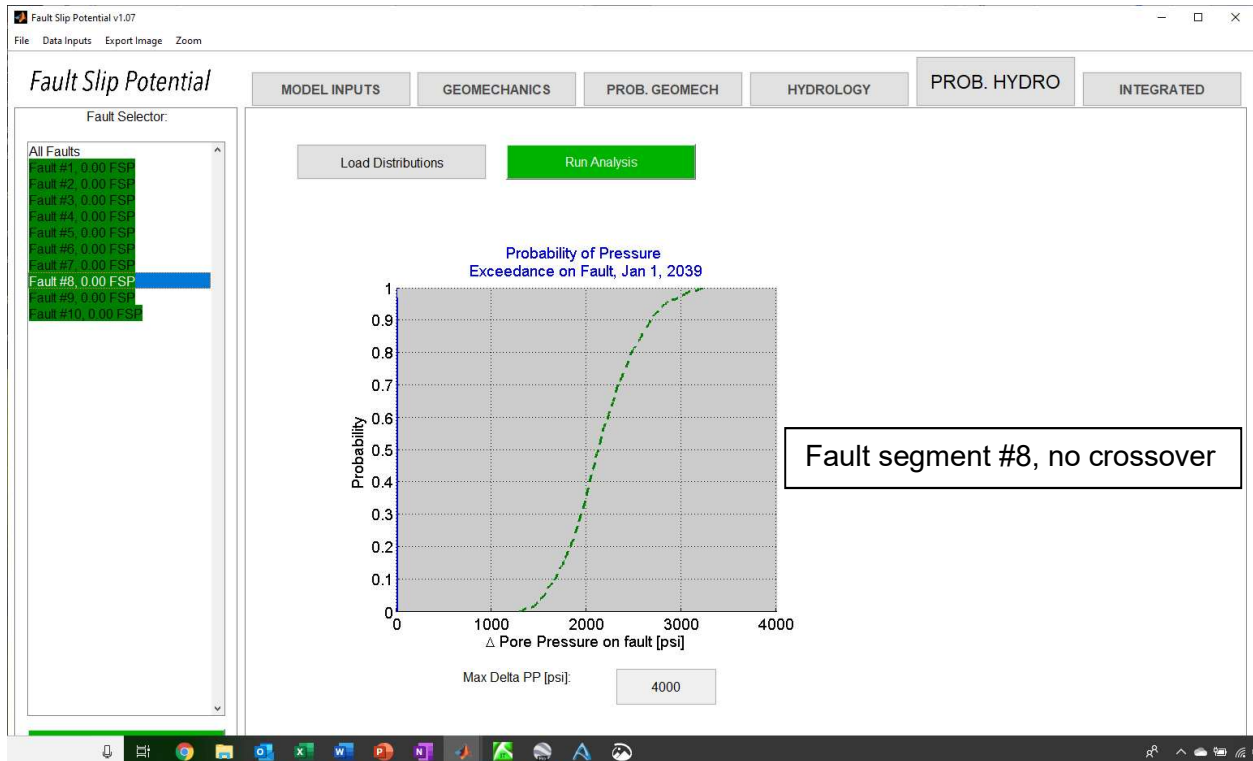
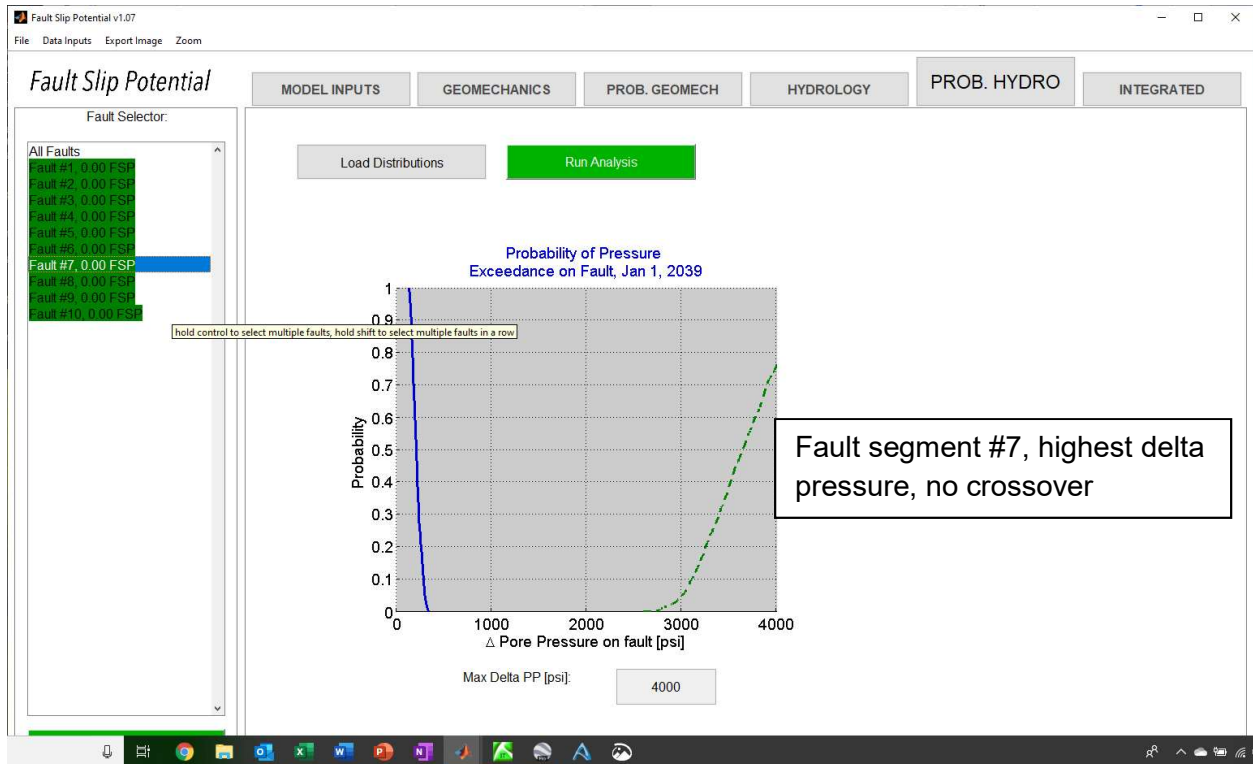


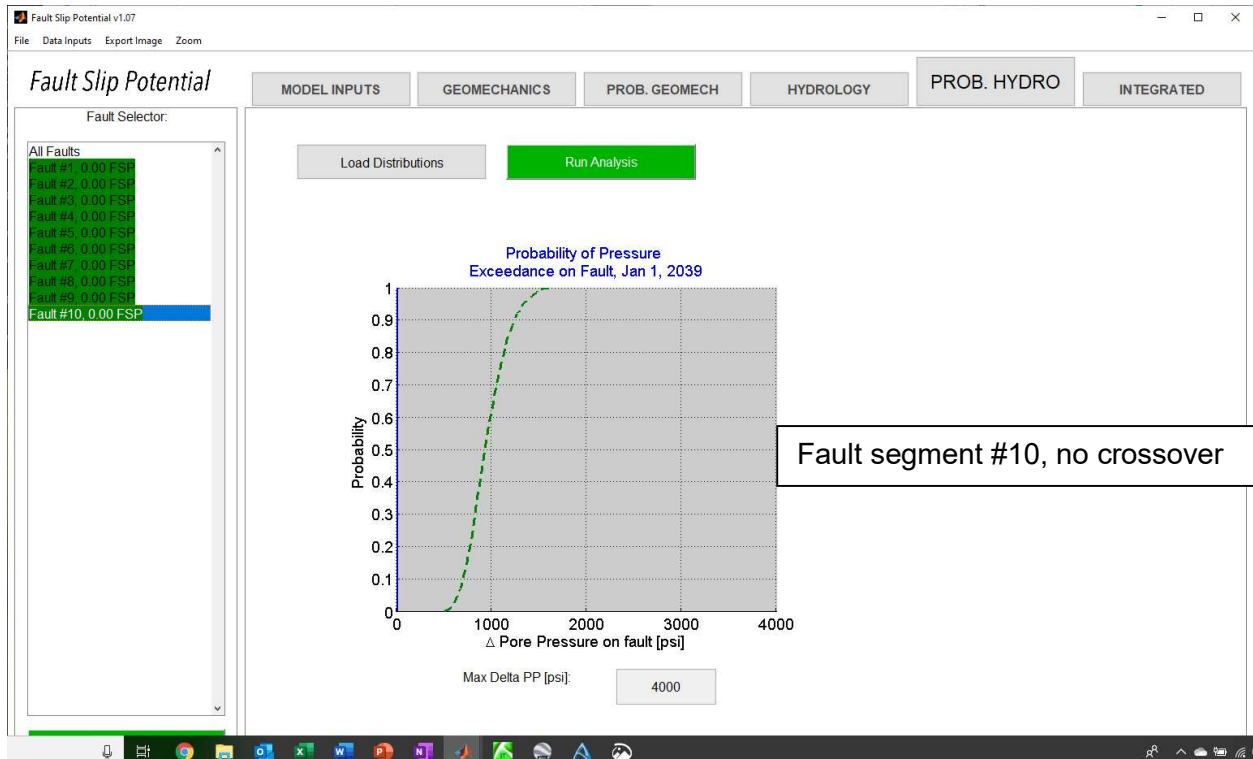
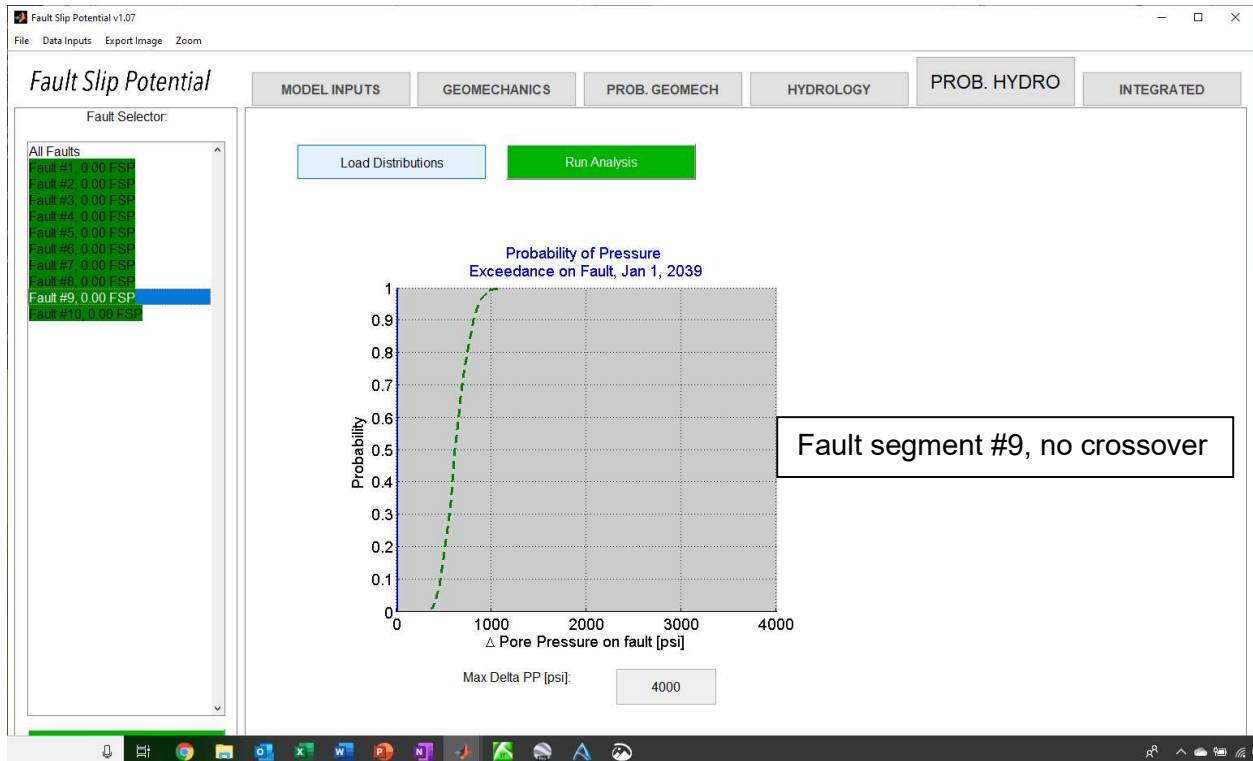




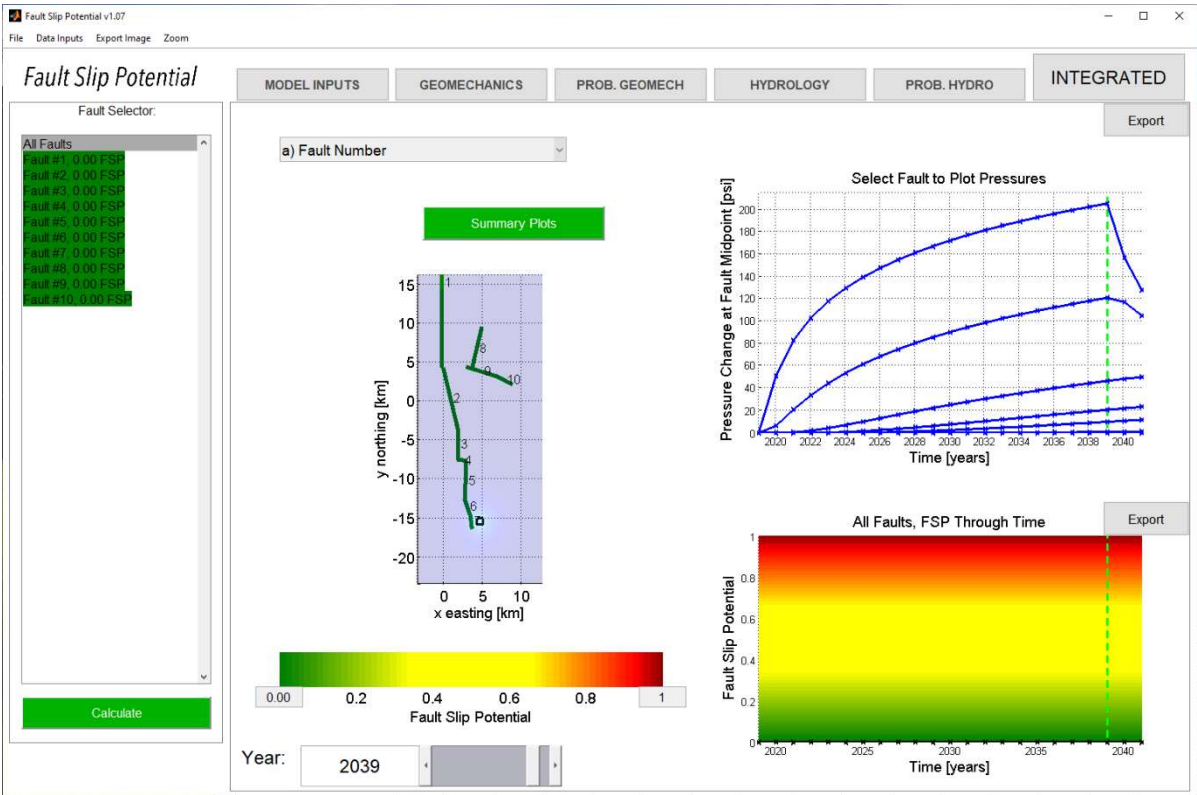




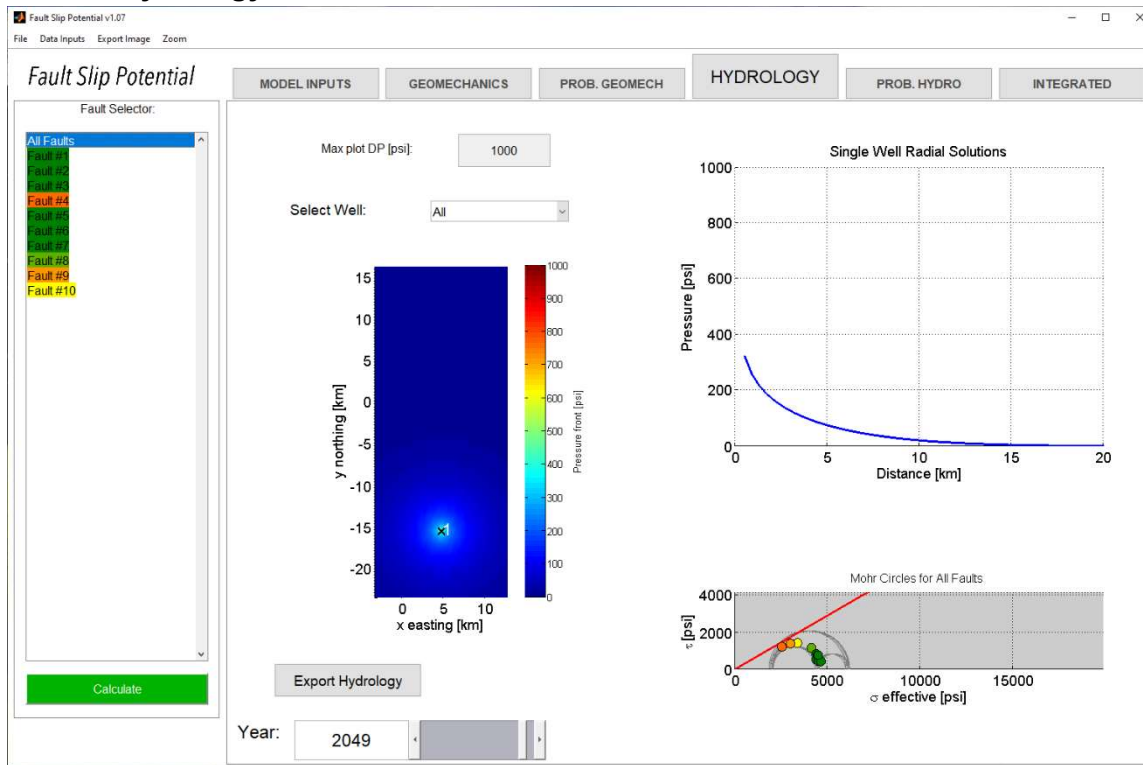




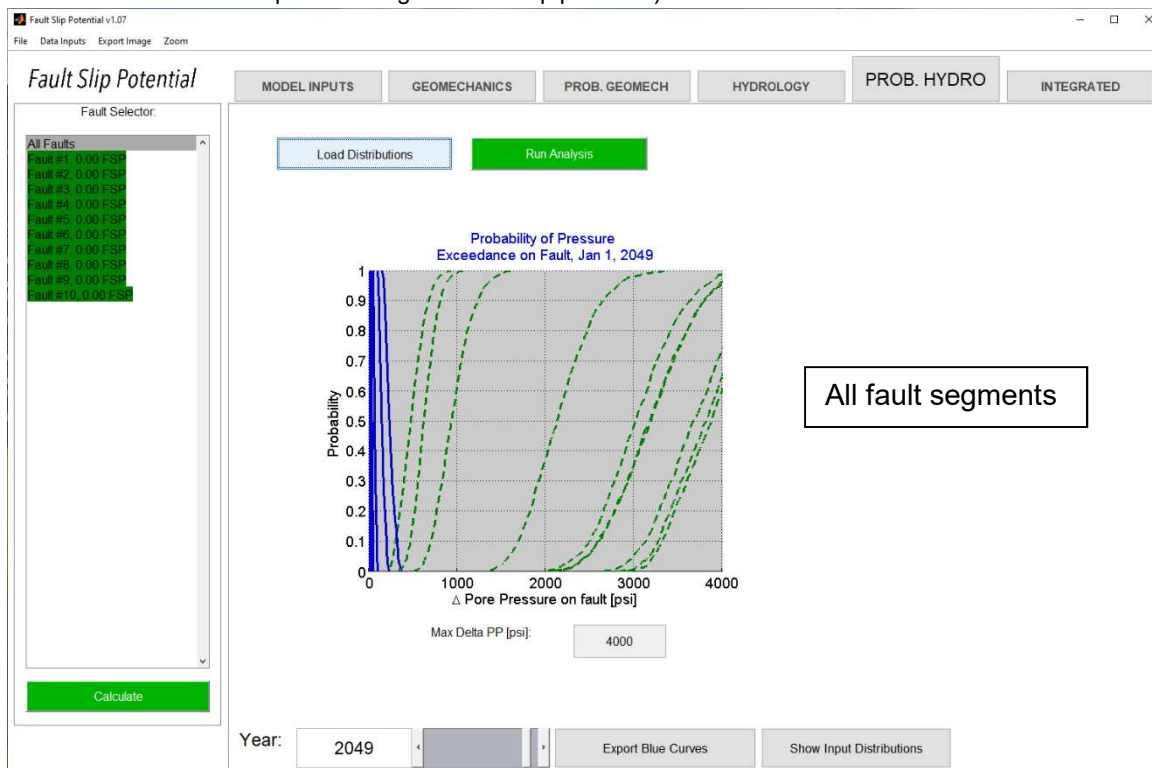
Year 20 Fault Slip Probability (0% for all fault segments after 20 years)



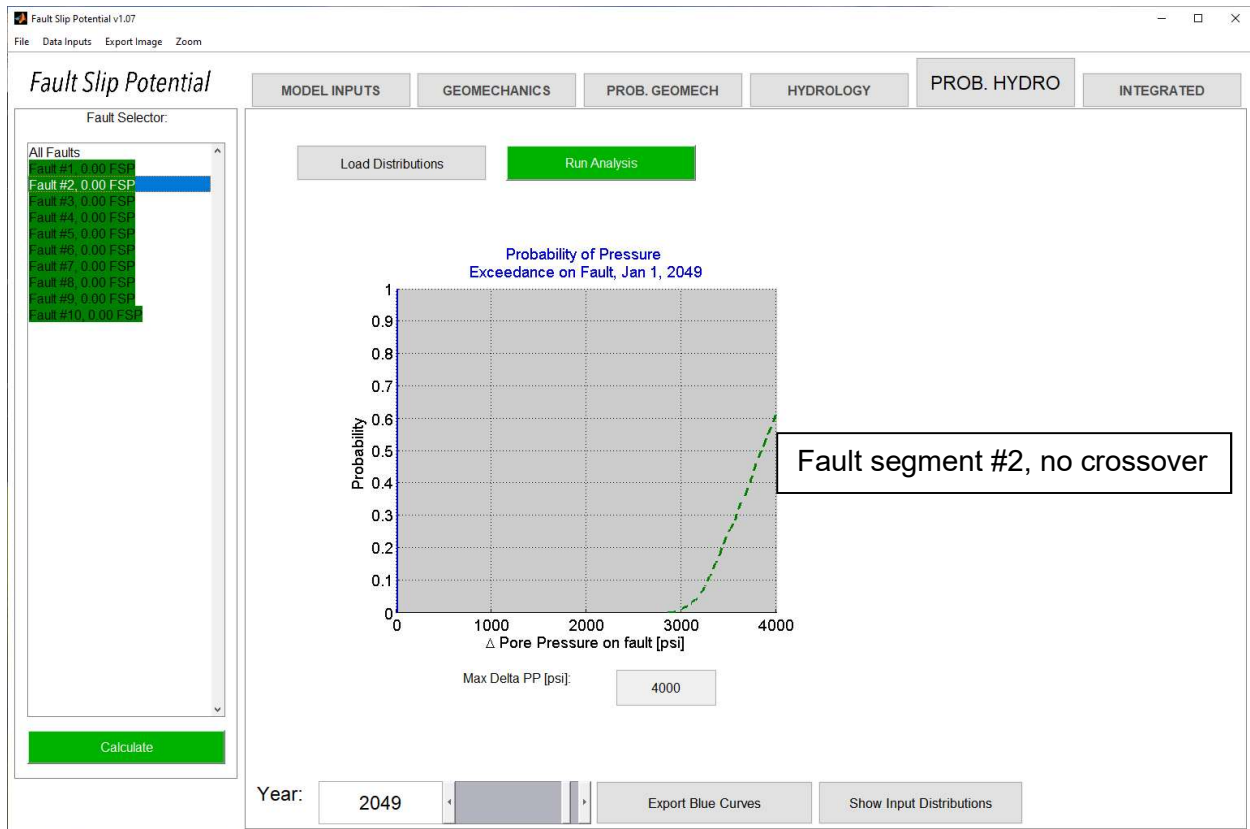
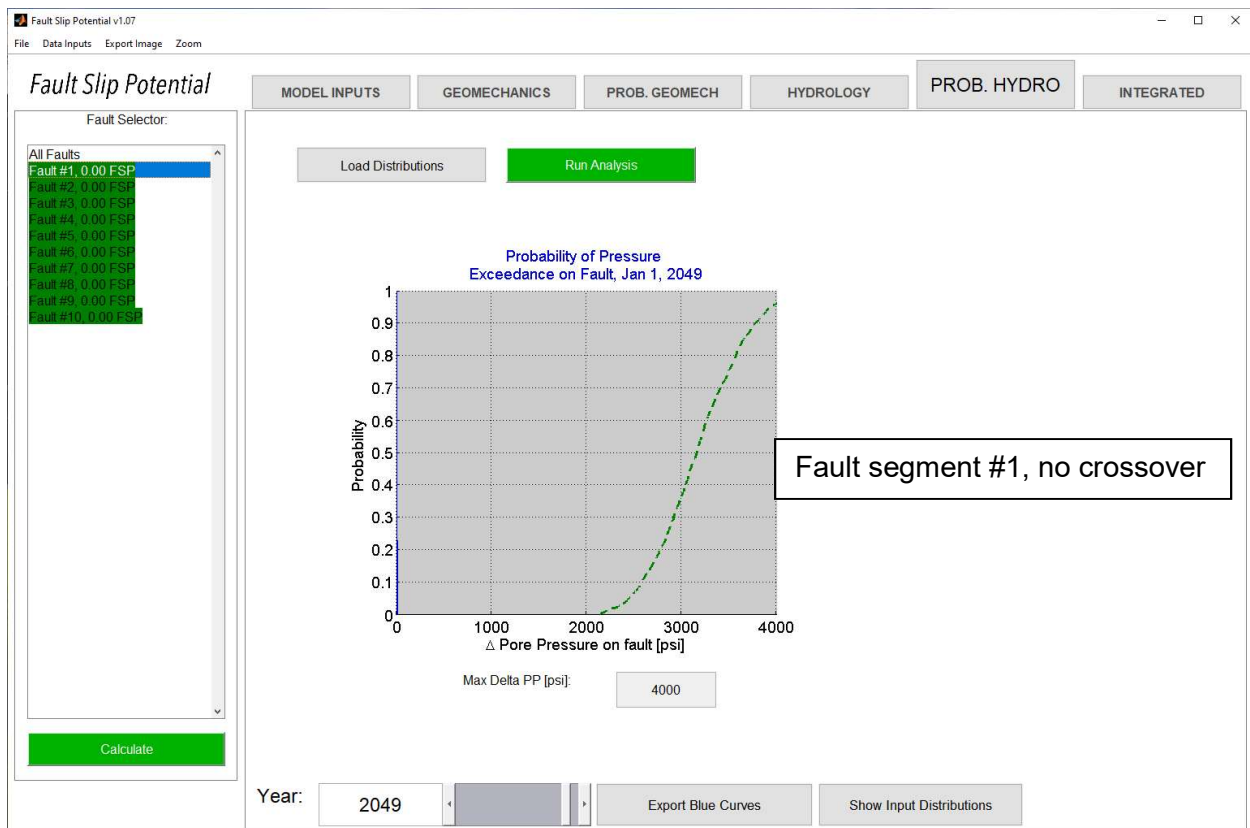
## Year 30 Hydrology



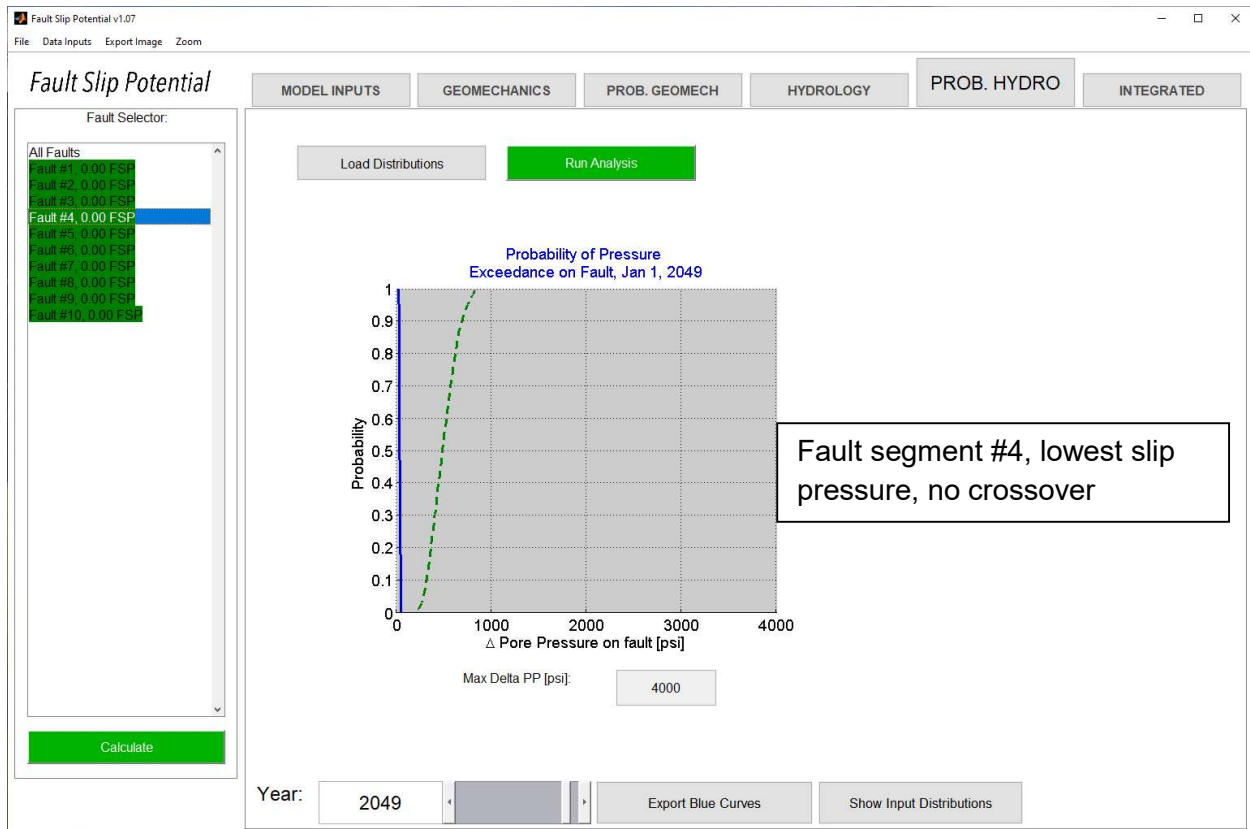
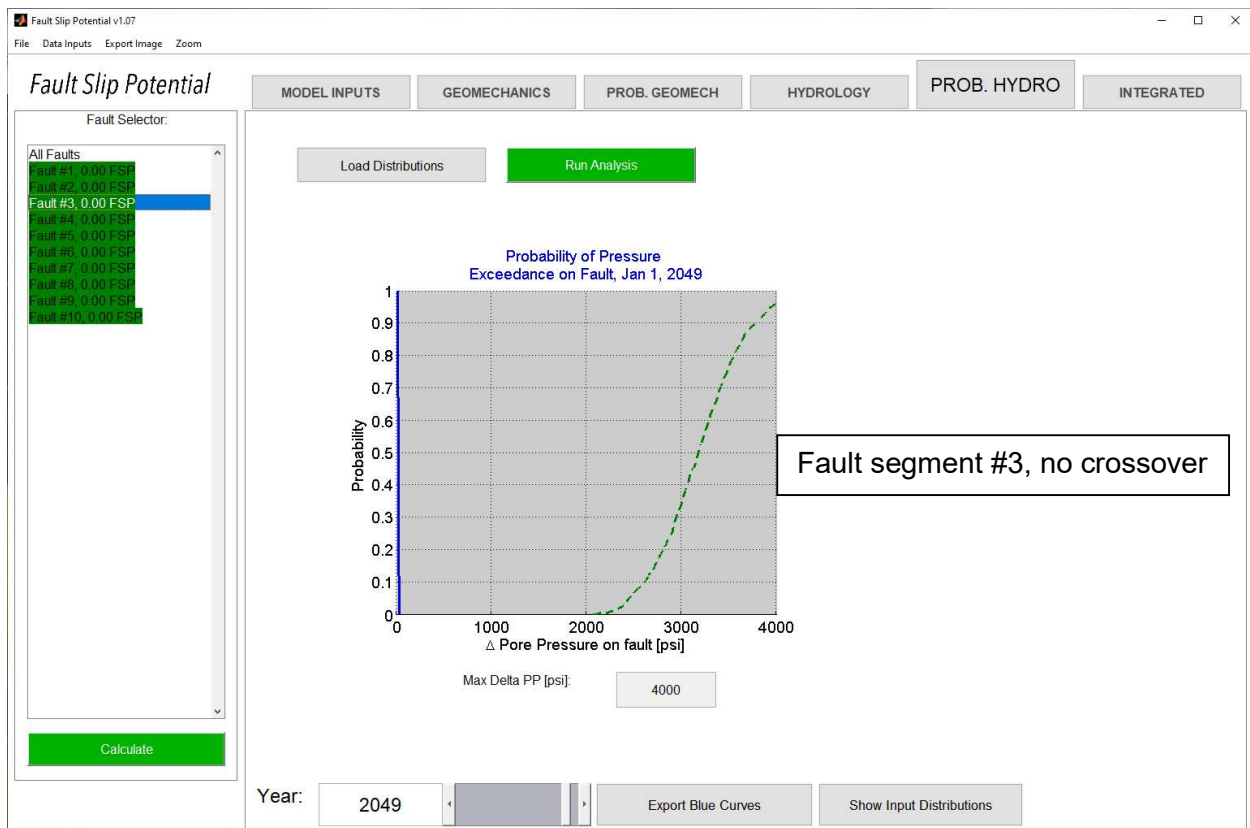
**Year 30 Probabilistic Hydrology** (note that crossover between blue delta-press. & green fault slip press. is due to display of multiple fault segment data on same chart. Fault segments displayed separately below show no crossover between delta-pressure & green fault slip pressure)

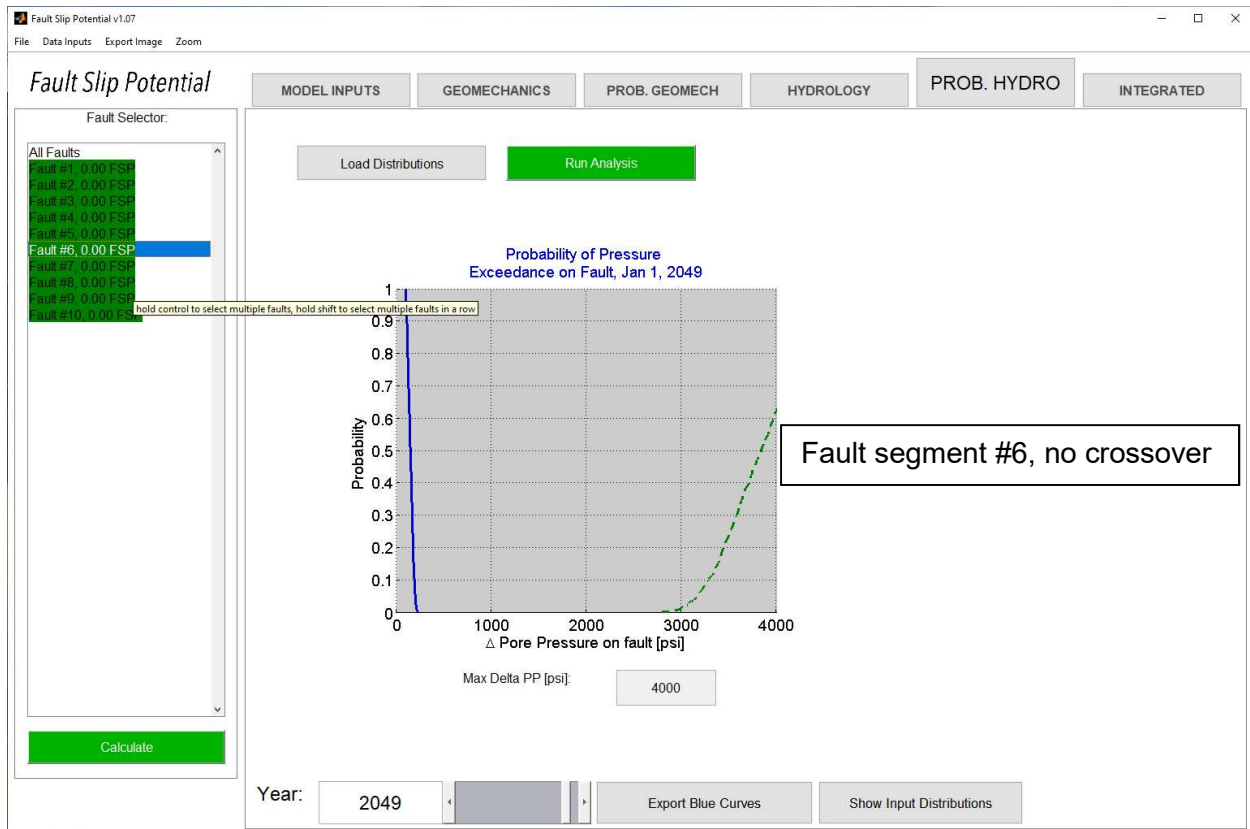
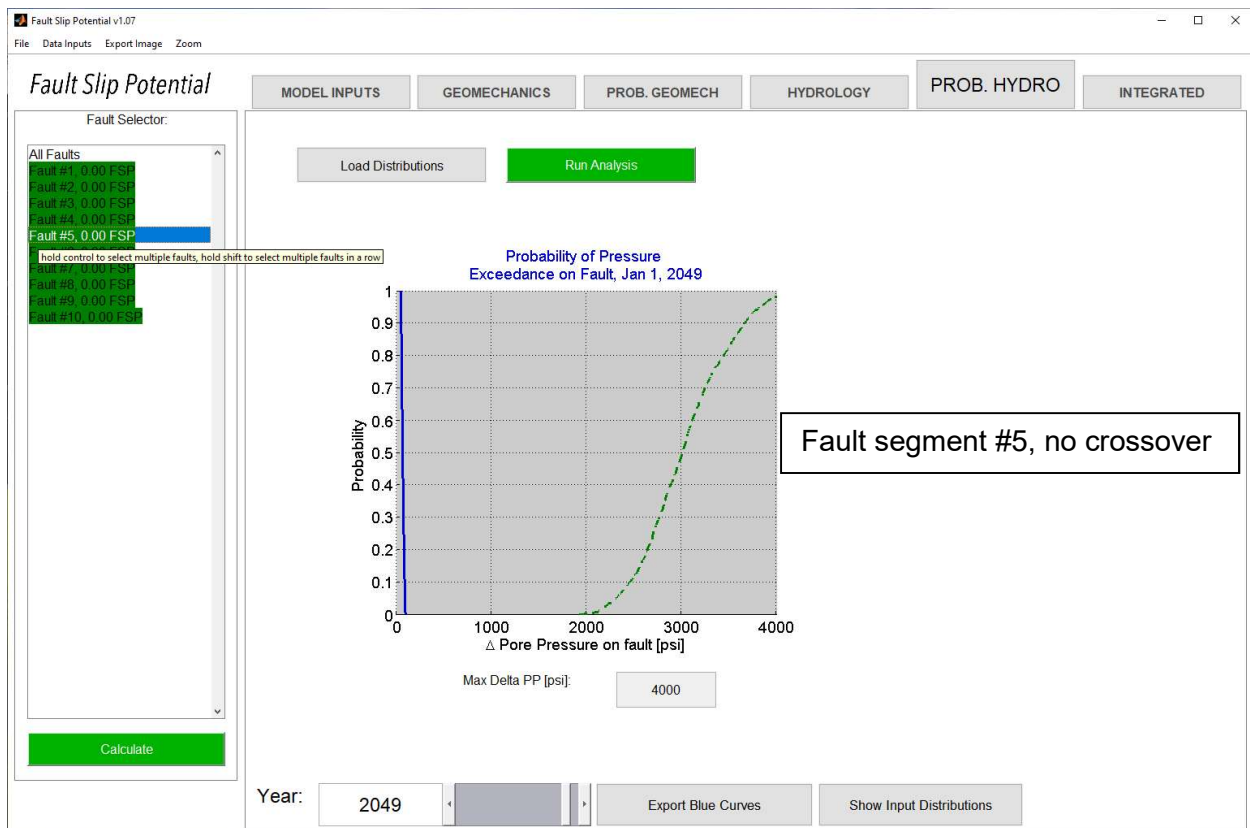


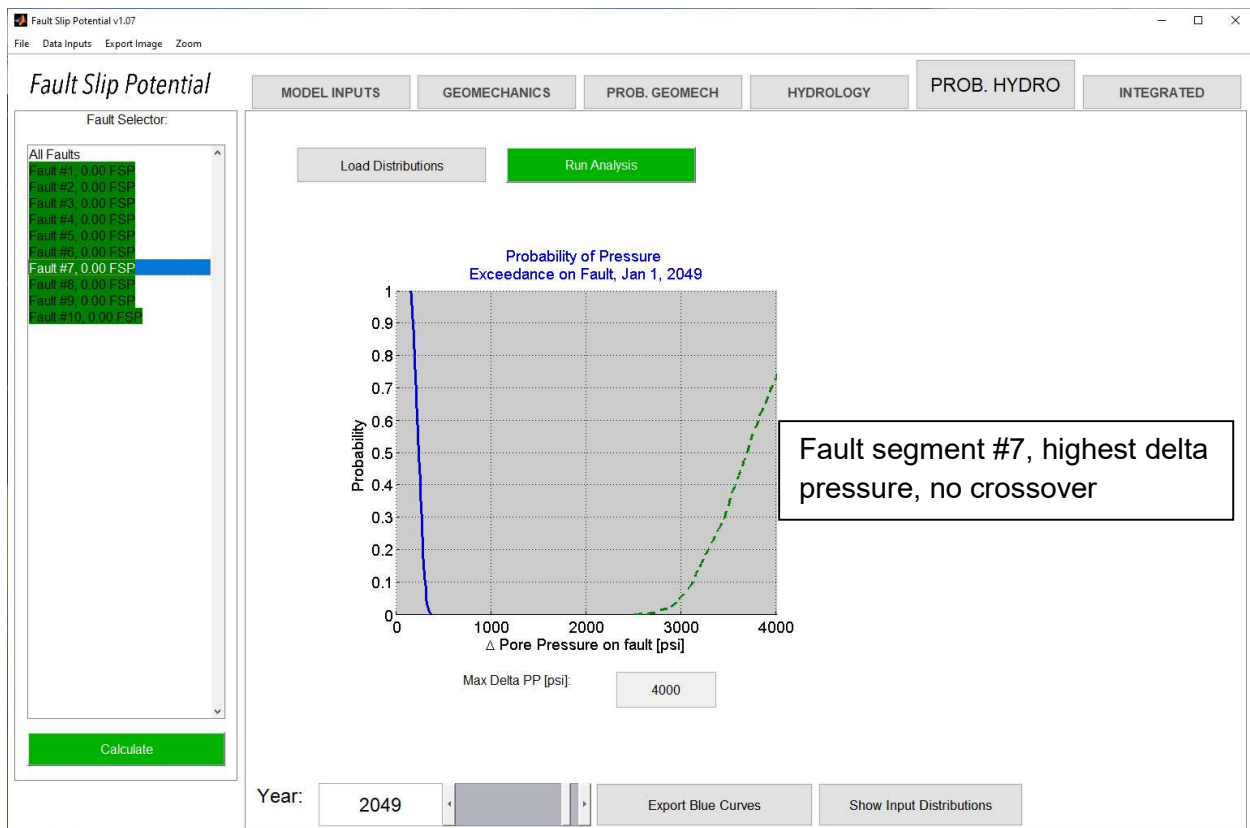


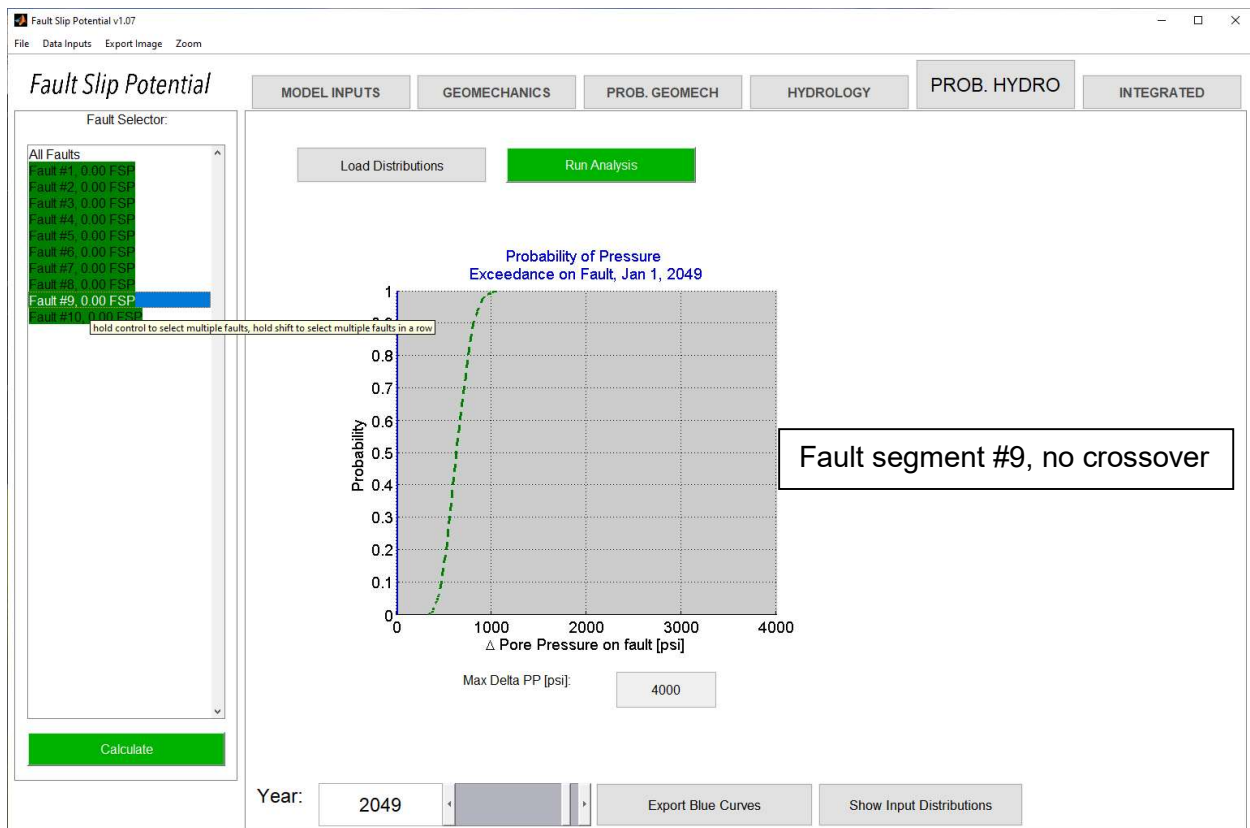




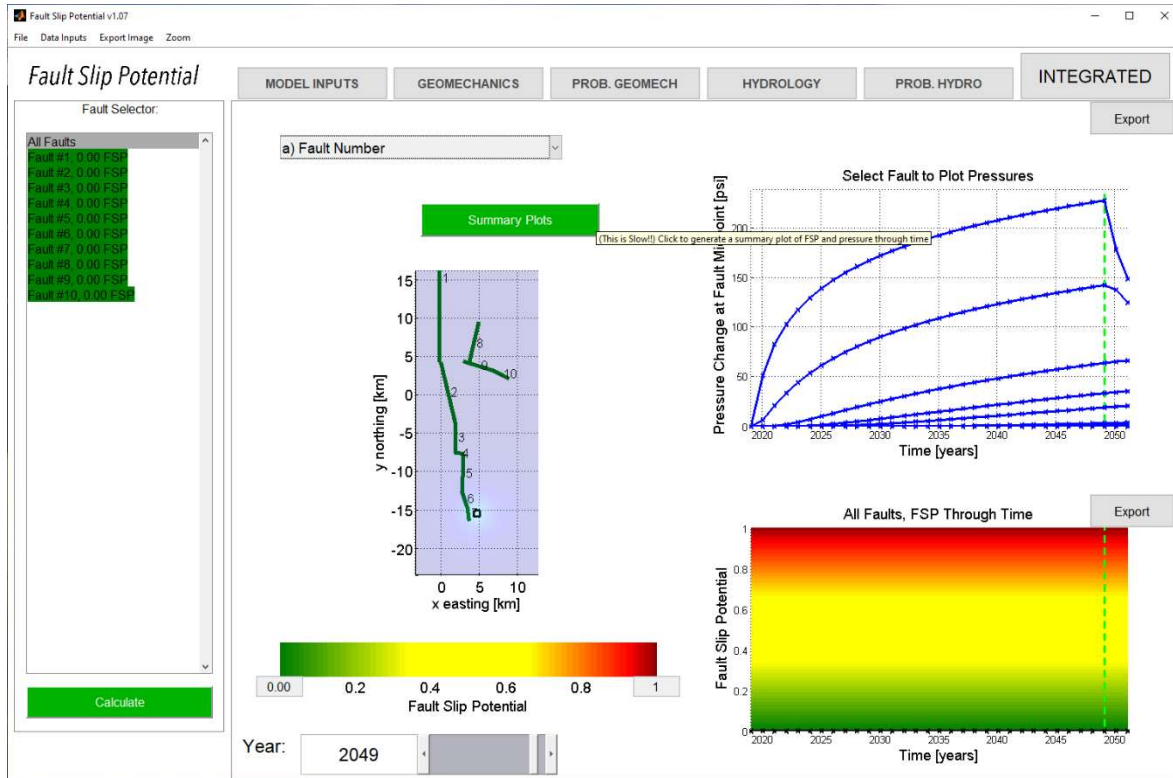








**Year 30 Fault Slip Probability** (0% for all fault segments after 30 years. 230 psi fault delta pressure is much less than the 3700 psi required for fault slip in the closest fault segment #7)



As per NM OCD requirements (injection well to injection well spacing minimum of 1.5 miles), this proposed above referenced SWD well is located 1.63 miles away from the nearest active or permitted Devonian disposal well.

*Gay E. Fisher*

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