Application Part II

Source Water Analyses



Water Analysis

Date: 23-Aug-11

2708 West County Road, Hobbs NM 88240 Phone (575) 392-5556 Fax (575) 392-7307

Analyzed For

Broshy Draw 1#1

74141,7202 1 01	<i>.</i> .	אאצגאנן (LITAU L	<u> </u>		
Company	,	Well Name	C	County	State	
		BD		Fca.	New Mexico	
Sample Source	Swab Sa	mple	Sample #	ddy	<i>1-265-2</i> 9 1	
Formation			Depth			
Specific Gravity	1.170		SG @	9 60 °F	1.172	
ρН	6.30		ક	Sulfides	Absent	
Temperature (*F)	70		Reducing I	Agents		
Cations						
Sodium (Calc)	an cama a mara aging i i i ing akan i international menang unang atau	in Mg/L	77,962	in PPM	66,520	
Calcium		in Mg/L	4,000	in PPM	3,413	
Magnesium		in Mg/L	1,200	in PPM	1,024	
Soluable Iron (FE2)		in Mg/L	10.0	in PPM	9	
Anions						
Chlorides		in Mg/L	130,000	in PPM	110,922	
Suttates		in Mg/L	250	in PPM	213	
Bicarbonates		in Mg/L	127	in PPM	108	
Total Hardness (as CaCO	3)	in Mg/L	15,000	in PPM	12,799	
Total Dissolved Solids (Ca	3/c)	in Mg/L	213,549	in PPM	182,209	
Equivalent NaCl Concenti	ation	in Mg/L	182,868	in PPM	156,031	
caling Tendencies						
Calcium Carbonate Index	1 Remate / FM	000 1 000 004) Possible / Above 1	1 000 000 Deshabit	507,520	
alcium Sulfate (Gyp) Ind		vvv- 1,000,000	/ - U430/8 / M00/8 1		1,000,000	
, ,,,		00,000,00	Possible / Above 1		•	
his Calculation is only an appl estment	roximation and	i is only valid i	before treatment o	f a well or eave <u>r</u> a	l wesks after	

Remarks

RW=.048@70F

Sec 22, T25,5, R28E Bone Spring

WELLHEAD

Sample Point:

North Permian Basin Region P.O. Box 740 Sundown, TX 79372-0740 (806) 229-8121

Lab Team Leader - Shella Hernandez

(432) 495-7240

Water Analysis Report by Baker Petrolite

Sales RDT: 33514.1 Company: TONY HERNANDEZ (575) 910-7135 **PERMIAN BASIN** Region: Account Manager: 534665 ARTESIA, NM Area: Sample #: PINOCHLE 'BPN' STATE COM Analysis ID #: 106795 Lease/Platform: \$90.00 Entity (or well #): Analysis Cost: UNKNOWN Formation:

Summany	Analysis of Sample 534665 @ 75 F								
Sampling Date: 03/10/11	Anlons	mg/l	meq/I	Cations	mg/l	neq/i			
Analysis Date: 03/18/11	Chioride:	109618.0	3091.92	Sodium:	70275.7	3056.82			
Analyst: SANDRA GOMEZ	Bicarbonate:	2135.0	34.99	Magnesium:	195.0	18.04			
TDB (Carbonate:	0.0	٥.	Calcium:	844.0	42.12			
TDS (mg/t or g/m3): 184911.1	Sulfate:	747.0	15.55	Strontium:	220.0	5.02			
Density (g/cm3, tonne/m3): 1.113	Phosphale:			Barlum:	0.8	0.01			
Anion/Cation Ratio: 1	Borate:			Iron:	6.5	0.23			
	Silicate:		ľ	Polassium:	869.0	22.22			
				Aluminum:					
Carbon Dioxide: 0 50 PPM	Hydrogen Sulfide:		0 PPM	Chromlum:					
Oxygen:			. [Соррег:					
Comments:	pH at time of sampling:			Lead:					
Contained.	pH at time of analysis	:		Manganese:	0.100	0.			
	pH used in Calculati	on:	7	Nickel:					
	•								

Cond	itions	Values Calculated at the Given Conditions - Amounts of Scale in Ib/1000 bbl										
Temp Gauge Press.	(alcite aCO ₃		sum 42H ₂ 0	i	ydrite aSO ₄		estite rSO ₄	_	rite ISO ₄	CO ₂ Press	
Ŧ	psi	index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	1.08	188.52	-1.20	0.00	-1.18	0.00	-0.11	0.00	0.58	0.29	1.72
100	0	1.10	206.05	-1.29	0.00	-1.20	0.00	~0.15	0.00	0.35	0.29	2.35
120	0	1.12	224.17	-1.36	0.00	-1.19	0.00	-0.17	0.00	0.16	0.00	3,17
140	0	1.13	243.17	-1.42	0.00	-1.18	0 00	-0.18	0,00	0.00	0.00	4.21

Note 1: When assessing the severity of the scale problem, both the saturation Index (SI) and amount of scale must be considered.

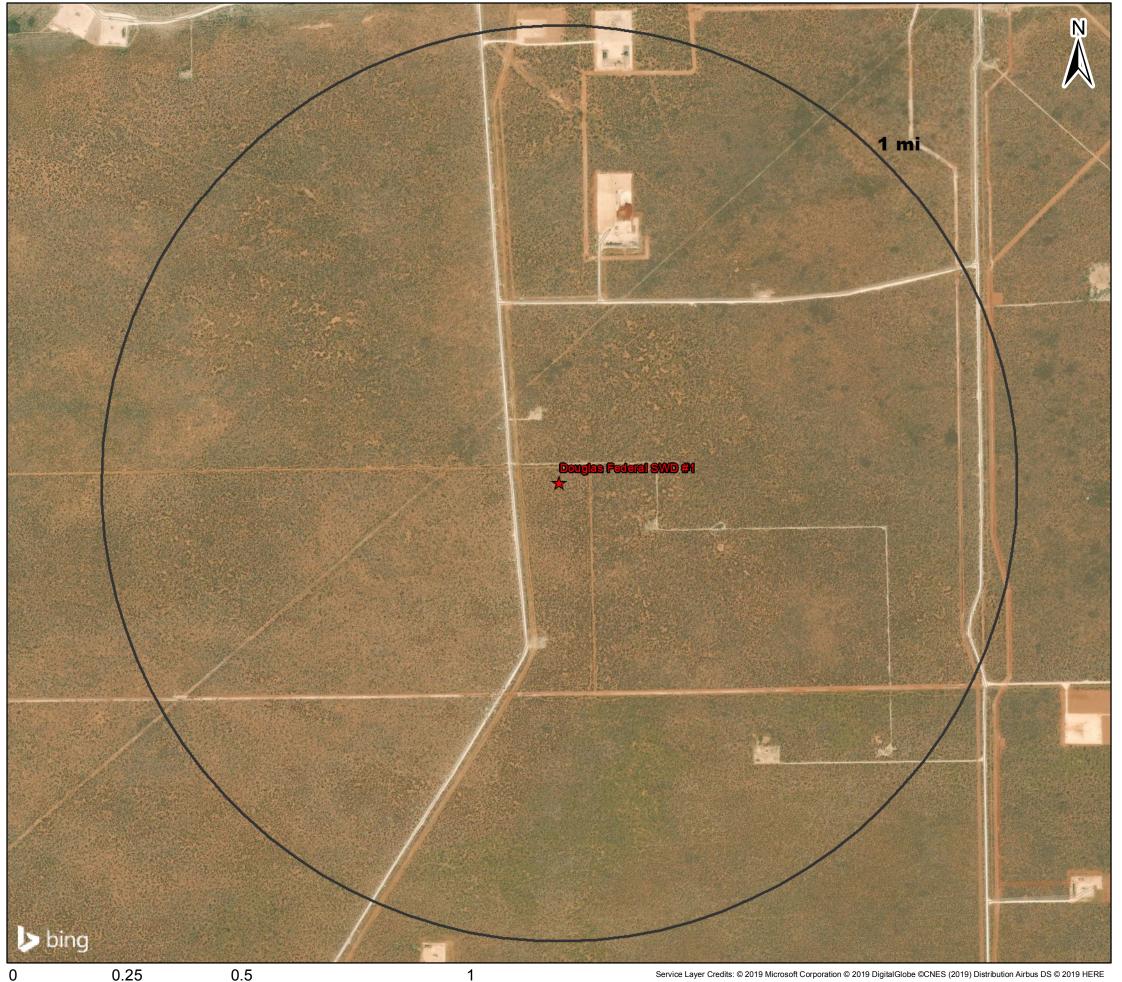
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

Injection Formation Water Analyses

	Injection Formation Water Analysis															
Vista Disposal Solutions, LLC - Devonian and Silurian-Fusselman Formations																
Wellname	API	Latitude	Longitude	Section Township	Range	Unit	Ftgns	Ftgew	County	State	Company Field	Formation	Tds_mgL	Chloride_mgL	Bicarbonate_mgL	Sulfate_mgL
STATE B COM #001	3002509716	32.179405	-103.2212524	36 24\$	36E	С	600N	1880W	LEA	NM	CUSTER	DEVONIAN	176234	107400	128	1004
FARNSWORTH FEDERAL #006	3002511950	32.077725	-103.162468	4 26S	37E	Α	660N	990E	LEA	NM	CROSBY	DEVONIAN	31931	20450	302	591
ARNOTT RAMSAY NCT-B #003	3002511863	32.092228	-103.1784439	32 2 5S	37E	Α	660N	660E	LEA	NM	CROSBY	DEVONIAN		100382	476	j
ARNOTT RAMSAY NCT-B #003	3002511863	32.092228	-103.1784439	32 2 5S	37E	Α	660N	660E	LEA	NM	CROSBY	DEVONIAN	158761			
COPPER #001	3002511818	32.099484	-103.1656723	28 25S	37E	J	1980S	1981E	LEA	NM	CROSBY	DEVONIAN	27506	15270	1089	1079
STATE NJ A #001	3002511398	32.164749	-103.1273346	2 25S	37E	Α	663N	660E	LEA	NM	JUSTIS NORTH	DEVONIAN	105350	59300	660	
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	80880	46200	340	
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	Е	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	84900	48600	840	
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	72200	41000	370	
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	80900	46200	340	
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	77600	44000	550	3240
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	135000	77000	650	5810
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	114000	65000	280	5110
WESTATES FEDERAL #004	3002511389	32.161129	-103.1241226	1 25S	37E	E	1980N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	135000	77000	500	5320
WESTATES FEDERAL #008	3002511393	32.162121	-103.1241226	1 25S	37E	E	1620N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	91058	51020	376	
WESTATES FEDERAL #008	3002511393	32.162121	-103.1241226	1 25S	37E	E	1620N	330W	LEA	NM	JUSTIS NORTH	FUSSELMAN	86847	50450	363	2544
STATE Y #009	3002511777	32.10582	-103.1113434	25 25S	37E	Α	990N	990E	LEA	NM	JUSTIS	FUSSELMAN	219570	129000	960	4630
STATE Y #009	3002511777	32.10582	-103.1113434	25 25S	37E	Α	990N	990E	LEA	NM	JUSTIS	FUSSELMAN	163430	96000	290	3780
SOUTH JUSTIS UNIT #023C	3002511760	32.106728	-103.1184616	25 25 S	37E	С	660N	2080W	LEA	NM	JUSTIS	FUSSELMAN	63817	35870	360	
CARLSON A #002	3002511764	32.100384	-103.1113434	25 25 S	37E	I	2310S	990E	LEA	NM	JUSTIS	FUSSELMAN	208280	124000	510	
CARLSON B 25 #004	3002511784	32.096756	-103.1113434	25 25S	37E	Р	990S	990E	LEA	NM	JUSTIS	FUSSELMAN	184030	112900	68	1806

Water Well Map and Well Data



Miles

Legend

★ Proposed SWD

NMOSE PODs

Status

- Active (0)
- Pending (0)
- Change Location of Well (0)
- Capped (0)
- Plugged (0)
- Incomplete (0)
- Unknown (0)

Water Wells Area of Review

Douglas Federal SWD #1

Lea County, New Mexico

Proj Mgr: Dan Arthur

August 05, 2019

Prepared by:

Mapped by: Ben Bockelmann



Service Layer Credits: © 2019 Microsoft Corporation © 2019 DigitalGlobe ©CNES (2019) Distribution Airbus DS © 2019 HERE

	Water Well Sampling Rationale										
	Vista Disposal Solutions, LLC - Douglas Federal SWD #1										
SWD	D Water Wells Owner Available Contact Information Use Sampling Required Notes										
Note: No water wells	ote: No water wells are present within 1 mile of the proposed SWD location.										

Induced Seismicity Assessment Letter

July 16, 2019

Mr. Phillip Goetze, P.G. NM EMNRD – Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Subject: Induced Seismicity Potential Statement for the Douglas Federal SWD #1

Dear Mr. Goetze,

This letter provides information regarding the seismic potential associated with injection operations associated with Vista Disposal Solutions, LLC (Vista), proposed Douglas Federal SWD #1, hereinafter referred to as the "Subject Well."

As outlined herein, based on my experience as an expert on the issue of induced seismicity, it is my opinion that the potential for the proposed injection well to cause injection-induced seismicity is expected to be minimal, at best. This conclusion is based on (1) the lack of historic seismic activity and faulting in the area, (2) the low fault slip potential (FSP) of Precambrian faults in the area, (3) the presence of confining layers, and (4) the overall vertical distance between the proposed injection zone and basement rock.

The Subject Well, is located 175 FNL & 367 FEL of Section 24, in T26-S and R33-E of Lea County, New Mexico. Historically, the Eddy and Lea Counties area has experienced very limited recorded seismic activity (per the U.S. Geological Survey [USGS] earthquake catalog database). There has been one known seismic events located within a 25-mile radius of the proposed Subject Well. The closest recorded seismic event was a M2.9 that occurred on December 4th, 1984, and was located approximately 16.0 miles north of the Subject Well (See Exhibit 1). The closest Class IID well injecting into the same formations (Devonian-Silurian) of the Subject Well is approximately 2.2 miles to the east (See Exhibit 1).

Vista does not own either 2D or 3D seismic reflection data in the area of the Subject Well. Fault data from USGS indicates that the closest known fault is approximately 7.5 miles north of the Subject Well (See Exhibit 1).

In a recent paper written by Snee and Zoback (2018) entitled "State of Stress in the Permian Basin, Texas and New Mexico: Implications for Induced Seismicity,", the authors found that large groups of mostly north-south striking Precambrian basement faults, predominantly located along the Central Basin Platform, the western Delaware Basin, and large parts of the Northwest Shelf (which includes Eddy and Lea counties, New Mexico) have low FSP at the modeled fluid-pressure

Induced Seismicity Potential Statement for the Douglas Federal SWD #1 July 16, 2019

perturbation. The map in Exhibit 2 depicts the low probability risk of FSP for the Delaware Basin and Northwest Shelf areas (Snee and Zoback 2018).

Geologic analysis indicates that the proposed Devonian-Silurian injection zone is overlain by approximately 200 to 400 feet of Woodford Shale, which is the upper confining zone and will serve as a barrier for upward injection fluid migration. Additionally, the Simpson Group that lies directly below the Montoya Formation will act as a lower confining zone to prohibit fluids from migrating downward into the underlying Ellenberger Formation and Precambrian basement rock. See the stratigraphic column for the Delaware Basin included in Exhibit 3.

In the Eddy and Lea Counties area of New Mexico, the Simpson Group is comprised of a series of Middle to Upper Ordovician carbonates, several sandstones, and sandy shales that range from approximately 350 to 650 feet thick (Jones 2008). This group of rocks is capped by the limestones of the Bromide Formation, which is approximately 200 feet thick in this area (Jones 2008). The closest deep well drilled into the Precambrian basement was completed by the Skelly Oil Company in 1975. This well is located in Section 17, Range 36E, Township 25S of Lea County (API No.30-025-25046) and encountered 602 feet of Ellenburger Formation before reaching the top of the Precambrian granite at a depth of 18,920 feet. Based on the estimated thickness of the Simpson Group and Ellenburger Formation in this area, the Precambrian basement should be approximately 1,000 to 1,200 feet below the bottom of the proposed injection zones in the Subject Well.

Conclusion

As an expert on the issue of induced seismicity, it is my opinion that the potential for the proposed injection well to cause injection-induced seismicity is expected to be minimal, at best. This conclusion is based on (1) the lack of historic seismic activity and faulting in the area, (2) the low FSP of Precambrian faults in the area, (3) the presence of confining layers, and (4) the overall vertical distance between the proposed injection zone and basement rock.

Sincerely, ALL Consulting

J. Daniel Arthur, P.E., SPEC President and Chief Engineer

Enclosures References Exhibits Induced Seismicity Potential Statement for the Douglas Federal SWD #1 July 16, 2019

References

Induced Seismicity Potential Statement for the Douglas Federal SWD #1 July 16, 2019

Ball, Mahlon M. 1995. "Permian Basin Province (044)." In *National Assessment of United States Oil and Gas Resources—Results, Methodology, and Supporting Data*. U.S. Geological Survey. https://certmapper.cr.usgs.gov/data/noga95/prov44/text/prov44.pdf (accessed June 18, 2018).

Green, G.N., and G.E. Jones. 1997. "The Digital Geologic Map of New Mexico in ARC/INFO Format." U.S. Geological Survey Open-File Report 97-0052. https://mrdata.usgs.gov/geology/state/state.php?state=NM (accessed June 14, 2018).

Jones, Rebecca H. 2008. "The Middle-Upper Ordovician Simpson Group of the Permian Basin: Deposition, Diagenesis, and Reservoir Development." http://www.beg.utexas.edu/resprog/permianbasin/PBGSP_members/writ_synth/Simpson.pdf (accessed June 19, 2018).

Snee, Jens-Erik Lund, and Mark D. Zoback. 2018. "State of Stress in the Permian Basin, Texas and New Mexico: Implications for Induced Seismicity." *The Leading Edge* 37, no. 2 (February 2018): 127-34.

U.S. Geological Survey (USGS). No date. Earthquakes Hazard Program: Earthquake Catalog. https://earthquake.usgs.gov/earthquakes/search/ (accessed June 14, 2018).

Exhibits

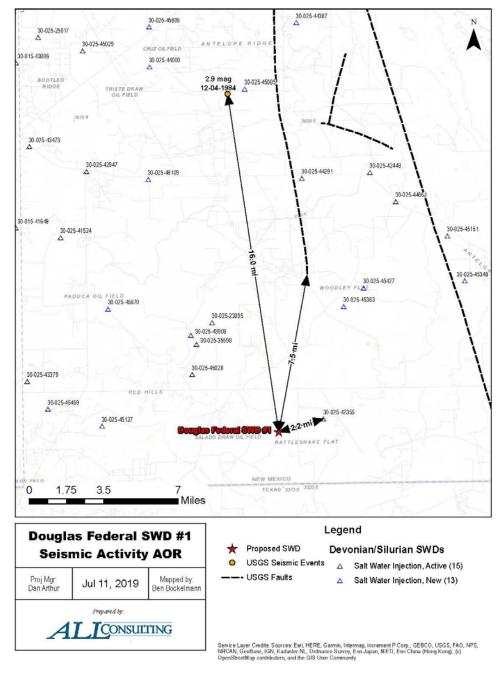


Exhibit 1. Map Showing the Distances from Known and Inferred Faults, Seismic Event, and Closest Deep Injection Well

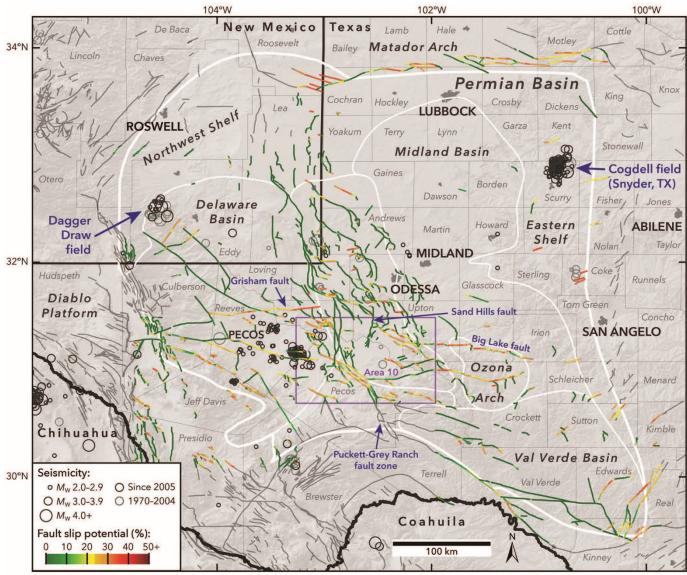


Exhibit 2. Results of the Snee and Zoback (2018) Probabilistic FSP Analysis Across the Permian Basin

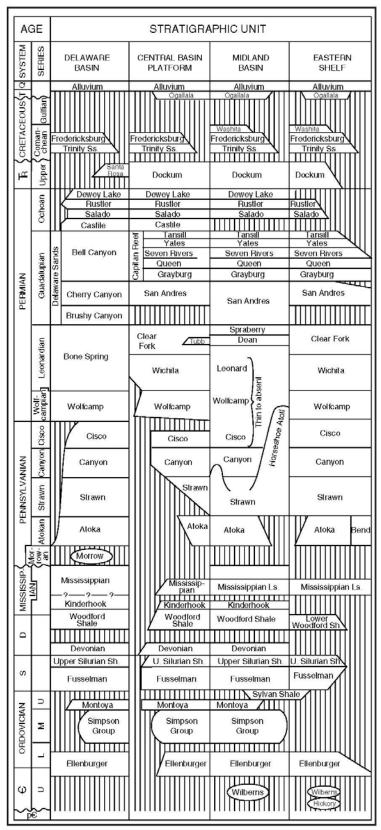


Exhibit 3. Delaware Basin Stratigraphic Chart (Ball 1995)

Public Notice Affidavit and Notice of Application Confirmations

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated July 11, 2019 and ending with the issue dated July 11, 2019.

Publisher

Sworn and subscribed to before me this 11th day of July 2019.

Business Manager

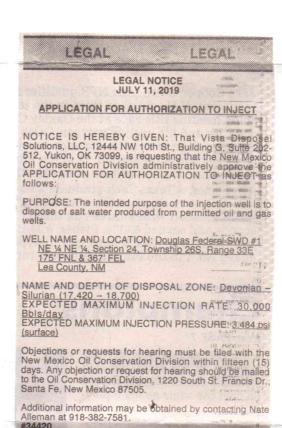
My commission expires

January 29, 2023

(Seat)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico
My Commission Expires 7-27-2

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



67115320

00230662

DANIEL ARTHUR ALL CONSULTING 1718 S. CHEYENNE AVE. TULSA, OK 74119

Douglas Federal SWD #1 - Notice of Application Recipients										
Entity	Address	City	State	Zip Code						
Landowner & Mineral Owner										
New Mexico BLM	620 E. Greene St.	Carlsbad	NM	88220						
OCD District										
NMOCD District 1	1625 N. French Drive	Hobbs	NM	88240						
	Leasehold Operators									
Chevron USA Inc. (CHEVRON USA INC)	6301 Deauville	Midland	TX	79706						
Conoco Phillips Company (CONOCO PHILLIPS CO)	3401 E. 30th St.	Farmington	NM	87402						
Devon Energy Production Company, LP (DEVON ENERGY PROD CO LP)	6488 Seven Rivers Hwy.	Artesia	NM	88210						
EOG Resources, Inc. (EOG RESOURCES INC)	104 S. 4th Street	Artesia	NM	88210						

Notes: The table above shows the Entities who were identified as parties of interest requiring notification on either the 1-mile well detail list (Attachment 2) or on the 2-mile Mineral Lease Map (Attachment 2). The names listed above in parenthesis, are the abbreviated entity names used on either the 1-mile well detail list (Attachment 2) or on the 2-mile Mineral Lease Map (Attachment 2).

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Devon Energy Production Company, LP 6488 Seven Rivers Hwy. Artesia NM 88210-9134

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NMOCD District 1 1625 N. French Drive Hobbs NM 88240-9273

New Mexico BLM 620 E Greene St. Carlsbad NM 88220-6292

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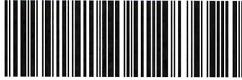
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EOG Resources, Inc. 104 S. 4th Street Artesia NM 88210-2123

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD

Sent: Wednesday, August 14, 2019 8:58 AM

To: 'darthur@all-llc.com'

Subject: Vista Disposal solutions, LLC Douglas Federal SWD Well No. 1

Dan:

Your application for the Vista Disposal solutions, LLC Douglas Federal SWD Well No. 1 is suspended.

Your affidavit of publication must list the exact location of the proposed SWD. ¼¼ location is not acceptable, because it is impossible to determine if the proposed SWD is at an orthodox location (for this proposed well it is unorthodox from the North, but orthodox from the East line for oil wells).

Mike

Michael McMillan 1220 South St. Francis Santa Fe, New Mexico 505-476-3448 Michael.mcmillan@state.nm.us