

Initial Application Part I

Received: 04/24/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

RECEIVED: 4/24/2019	REVIEWER:	TYPE: SWD	APP NO: PMAM19115 39841
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: LilyStream Water Solutions, LLC **OGRID Number:** 373500
Well Name: Lucas SWD #1 **API:** 30-015-xxxxx
Pool: Proposed: SWD; Devonian-Silurian **Pool Code:** 97869

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☒ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☒ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Joel Lowry

Print or Type Name

Signature

4/18/2019

Date

432-466-4450

Phone Number

joel@lowryenvironmental.com

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. **PURPOSE:** Secondary Recovery Pressure Maintenance XXX Disposal Storage
Application qualifies for administrative approval? XXX Yes No
- II. **OPERATOR:** LilyStream Water Solutions, LLC
ADDRESS: 1308 West Ave. N, Lovington, NM, 88260
CONTACT PARTY: Joel Lowry **PHONE:** 432-466-4450
- III. **WELL DATA:** *Complete the data required on the reverse side of this form for each well proposed for injections. Additional sheets may be attached if necessary.*
- Applicable Well Data is provided as Attachment #1.**
- IV. *Is this an expansion of an existing project?* Yes XXX No
If yes, give the Division order number authorizing the project: N/A
- 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.*
- A map identifying all wells and leases within a two mile radius is provided as Figure 1 in Attachment #2.**
A map identifying all wells and leases within the one-mile expanded Area of Review is provided as Figure 2 in Attachment #2.
- 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.*
- A tabulation of data on all wells of public record within the expanded area of review which penetrate the proposed injection zone is provided as Attachment #3.**
- VII. *Attach data on the proposed operation, including:*
1. *Proposed average and maximum daily rate and volume of fluids to be injected;*
 2. *Whether the system is open or closed;*
 3. *Proposed average and maximum injection pressure;*
 4. *Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,*
 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.).*
- Proposed operation details are provided as Attachment #4.**
Analysis from source zone produced water is provided as Attachment #4a.
Analysis from injection zone produced water is provided as Attachment #4b.
- *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.*
- Geological data on the proposed injection zone is provided as Attachment #5.**
- IX. *Describe the proposed stimulation program, if any.*
- Acid may be utilized to clean and open the formation in accordance with industry standards, as necessary.**
- *X. *Attached appropriate logging and test data on the well. (If well logs have been filed with the Division, the need not be resubmitted).*
- As this is a new drill, logging and test data is not available. Well Log and test data will be filed with the NMOCD upon completion of the well. NMOCD District I Office will be notified prior to conducting MIT.**

***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.*

A map depicting fresh water wells within a one mile radius and associated chemical analysis, if applicable, is provided as Attachment #6.

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 one and any underground sources of drinking water.*

An Affirmative Statement is provided as Attachment #7.

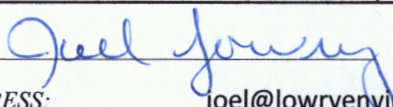
XIII *Applicants must complete the "Proof of Notice" section on the reverse side of this form.*

"Proof of Notice" documentation is provided as Attachment #8.

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

NAME: Joel Lowry TITLE: Agent of Lilystream Water Solutions, LLC

SIGNATURE:



EMAIL ADDRESS: joel@lowryenvironmental.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 submitte*

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

ATTACHMENT #1

Well Data

Attachment #1**III. Well Data**

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) **General Well Information**
- | | |
|-----------------------|--|
| Operator | LilyStream Water Solutions, LLC |
| Lease Name & Well No. | Lucas SWD #1 |
| Location | 250' FNL & 2,390' FEL, UL B, Sec. 10, T25S, R25E |
- (2) **Casing Information**
- | String | Size (in.) | Grade | Weight | Setting Depth (ft bgs) | Cement (sx) | Hole Size (in.) | Estimated Top of Cement | Method of Determination |
|----------------|------------|-------|-------------|------------------------|-------------|-----------------|-------------------------|-------------------------|
| Surface | 20 | J-55 | 94.0 lb/ft. | 300 | 825 | 26 | Surface | Circulation |
| Intermediate 1 | 13.375 | P-110 | 80.7 lb/ft | 2,000 | 1,140 | 17.5 | Surface | Circulation |
| Production | 9.625 | P-110 | 53.5 lb/ft. | 8,885 | 1,510 | 12.25 | Surface | Circulation |
| Liner | 7.625 | P-110 | 39.0 lb/ft. | 8585 to 11932 | 351 | 8.5 | 8585' (TOL) | CBL |
- (3) **Description of Tubing**
- | Size | Weight | Lining Material | Setting Depth (ft.) |
|------|------------|-------------------------|---------------------|
| 5.5" | 23.0 lb/ft | Internal Plastic Coated | 8,525 |
| 5" | 18.0 lb/ft | Internal Plastic Coated | 11,832 |
- (4) **Packer Information**
- | Type | Setting Depth (ft.) |
|------------------------|---------------------|
| LOK-SET™ or Equivalent | 11,832 |

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

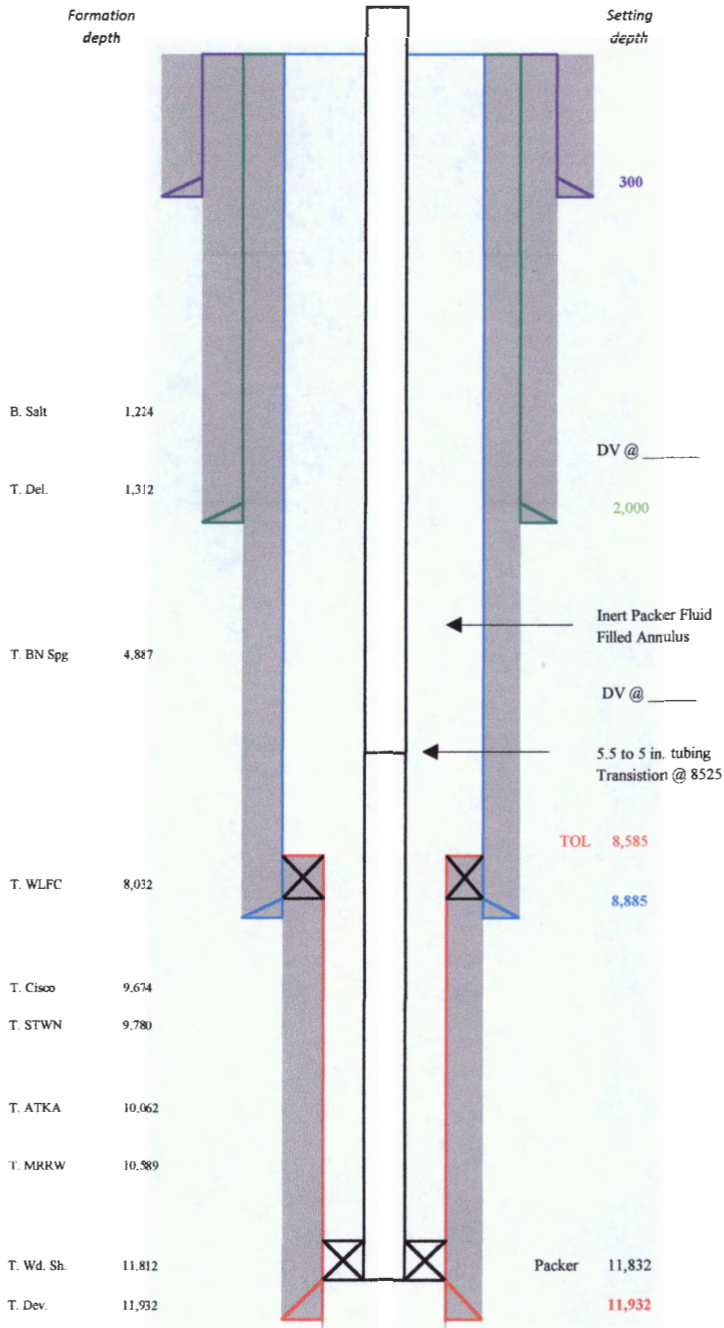
- (1) **Injection Information**
- | | |
|------------------------------|-----------------------------------|
| Name of Injection Formation: | Devonian-Silurian |
| Injection Interval: | 11932 to 13032 ft. |
| Perforated or Open-Hole: | Open Hole |
| Purpose of Well: | New Drill for Salt Water Disposal |
| Other Perforated Intervals: | None |
- (5) **Estimated Depth of Various Formations Including Oil and Gas Zones (ft. bgs)**
- | | |
|-------------------|--------|
| B. Salt | 1,224 |
| T. Delaware | 1,312 |
| T. Bone Spring | 4,887 |
| T. Wolfcamp | 8,032 |
| T. Cisco | 9,674 |
| T. Strawn | 9,780 |
| T. Atoka | 10,062 |
| T. Morrow | 10,589 |
| T. Woodford Shale | 11,812 |
| T. Devonian | 11,932 |
| T. Montoya | 13,032 |

There are no known oil and gas zones beneath the proposed injection zone.

INJECTION WELL DATA SHEET

OPERATOR: LilyStream Water Solutions, LLC
WELL NAME & NUMBER: Lucas SWD #1
WELL LOCATION 250' FNL & 2,390' FEL B 10 25S 25E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size 26 in. Casing Size: 20 in.
Setting Depth: Surface ft. to 300 ft.
Cemented with: 825 sx. or _____ ft³
Top of Cement: Surface Method Determined Circulation

1st Intermediate Casing

Hole Size 17.5 in. Casing Size: 13.375 in.
Setting Depth: Surface ft. to 2,000 ft.
Cemented with: 1140 sx. or _____ ft³
Top of Cement: Surface Method Determined Circulation

Production Casing

Hole Size 12.25 in. Casing Size: 9.625 in.
Setting Depth: Surface ft. to 8,885 ft.
Cemented with: 1510 sx. or _____ ft³
Top of Cement: Surface Method Determined Circulation

Liner

Hole Size 8.5 in. Casing Size: 7.625 in.
Setting Depth: 8,585 ft. to 11,932 ft.
Cemented with: 351 sx. or _____ ft³
Top of Cement: 8585 TOL Method Determined CBL

Open Hole Injection Interval

11,932 ft. to 13,032 ft.

Formation tops have been extrapolated from control wells in the vicinity. During drilling activities, mud and other logs will be utilized to confirm depths and thicknesses of geologic formations. Should logging data indicate adjustments are required to the casing and cement program, applicable Sundry Notices will be filed with the NMOCD.

Not to Scale

TD @ 13032 Ft.

INJECTION WELL DATA SHEET

Tubing Size: 5.5" tapered to 5" Lining Material: Internal Plastic Coated (ICP)
Type of Packer: LOK-SET™ or Equivalent
Packer Setting Depth: 11,832 Ft.
Other Type of Tubing/Casing Seal (if applicable): Not Applicable

Additional Data

1. Is this a new well drilled for injection? XXX Yes No

If no, for what purpose was the well originally drilled? N/A

2. Name of the Injection Formation: Devonian-Silurian

3. Name of Field or Pool (if applicable): SWD; Devonian-Silurian

4. Has the well ever been perforated in any other zones (s) List all such perforated intervals and give plugging detail, i.e. sacks of cement or plugs(s) used. N/A

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

<i>name</i>	<i>depth</i>
B. Salt	1,224
T. Delaware	1,312
T. Bone Spring	4,887
T. Wolfcamp	8,032
T. Cisco	9,674
T. Strawn	9,780
T. Atoka	10,062
T. Morrow	10,589
T. Woodford	11,812
T. Devonian	11,932
T. Montoya	13,032

There are no known oil and gas zones underlying the proposed injection interval

ATTACHMENT #2

Figure 1 - 2-Mile Area of Review Map

Figure 2 - 1-Mile Area of Review Map

Date: 2/11/2019

ATTACHMENT #3

Tabulation of Data Wells within AOR

Summary of Wells within AOR and Surrounding Vicinity									
API No.	Well Name	Type	Status	Section	Township	Range	Unit Letter	OCRID Name	Pool ID
30-015-20781	PRE-ONGARD WELL #001	Oil	Plugged (Site Released)	10	25S	25E	H	PRE-ONGARD WELL OPERATOR	
30-015-22946	MEANDER FEDERAL #001	Gas	Active	14	25S	25E	B	TAP ROCK OPERATING, LLC	[87285] WHITE CITY, WOLFCAMP (GAS)(ABOLISHED; [98220] PURPLE SAGE, WOLFCAMP (GAS)
30-015-23147	DELTA FEDERAL #001	Gas	Plugged (Site Released)	7	25S	26E	G	OXY USA WTP LIMITED PARTNERSHIP	[84407] SAGE DRAW, WOLFCAMP (GAS)(ABOLISH); [96086] WC, WOLFCAMP (GAS)DO NOT USE
30-015-23457	SHEARNWEST FEDERAL #001	Oil	Active	11	25S	25E	I	JKM ENERGY, LLC	[96382] WHITE CITY, DELAWARE
30-015-24187	PRE-ONGARD WELL #002	Oil	Plugged (Site Released)	7	25S	26E	L	PRE-ONGARD WELL OPERATOR	
30-015-28608	BLUESTAR FEDERAL #001	Oil	Plugged (Site Released)	10	25S	25E	H	CABAL ENERGY CORPORATION	[96382] WHITE CITY, DELAWARE
30-015-31943	WILD HOG 11 FEDERAL #001	Gas	Active	11	25S	25E	N	JKM ENERGY, LLC	[87285] WHITE CITY, WOLFCAMP (GAS)(ABOLISHED; [98220] PURPLE SAGE, WOLFCAMP (GAS)
30-015-34807	DELTA FEDERAL #002	Gas	Active	7	25S	26E	I	BREITBURN OPERATING LP	[74900] CHOSA DRAW, MORROW (GAS)

**No Wells within AOR penetrate
the proposed injection zone.**

ATTACHMENT #4

Proposed Operations

A. Source Zone Produced Water Analysis

B. Injection Zone Produced Water Analysis

VII. Proposed Operations

Attach data on the proposed operation, including:

- | Proposed Operation | | |
|--------------------|-----------------------------|-------------------|
| (1) | Average Rate: | 20,000 bbls |
| | Maximum Rate: | 30,000 bbls |
| (2) | Open or Closed: | Open |
| (3) | Average Injection Pressure: | 1,500 - 2,000 psi |
| | Maximum Injection Pressure: | 2,386 psi |
- (4) *Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and*

The anticipated sources of produced water proposed to be injected into the Devonian and Silurian formations are from the Delaware, Wolfcamp and Bone Springs Formations, which are known to be compatible with formation water from the Devonian Formation. Laboratory analysis of water samples collected from the respective formations is provided as Attachment #4a.

- (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*

Laboratory analysis of water samples collected from the Devonian and Fusselman Formations are provided as Attachment #4b.

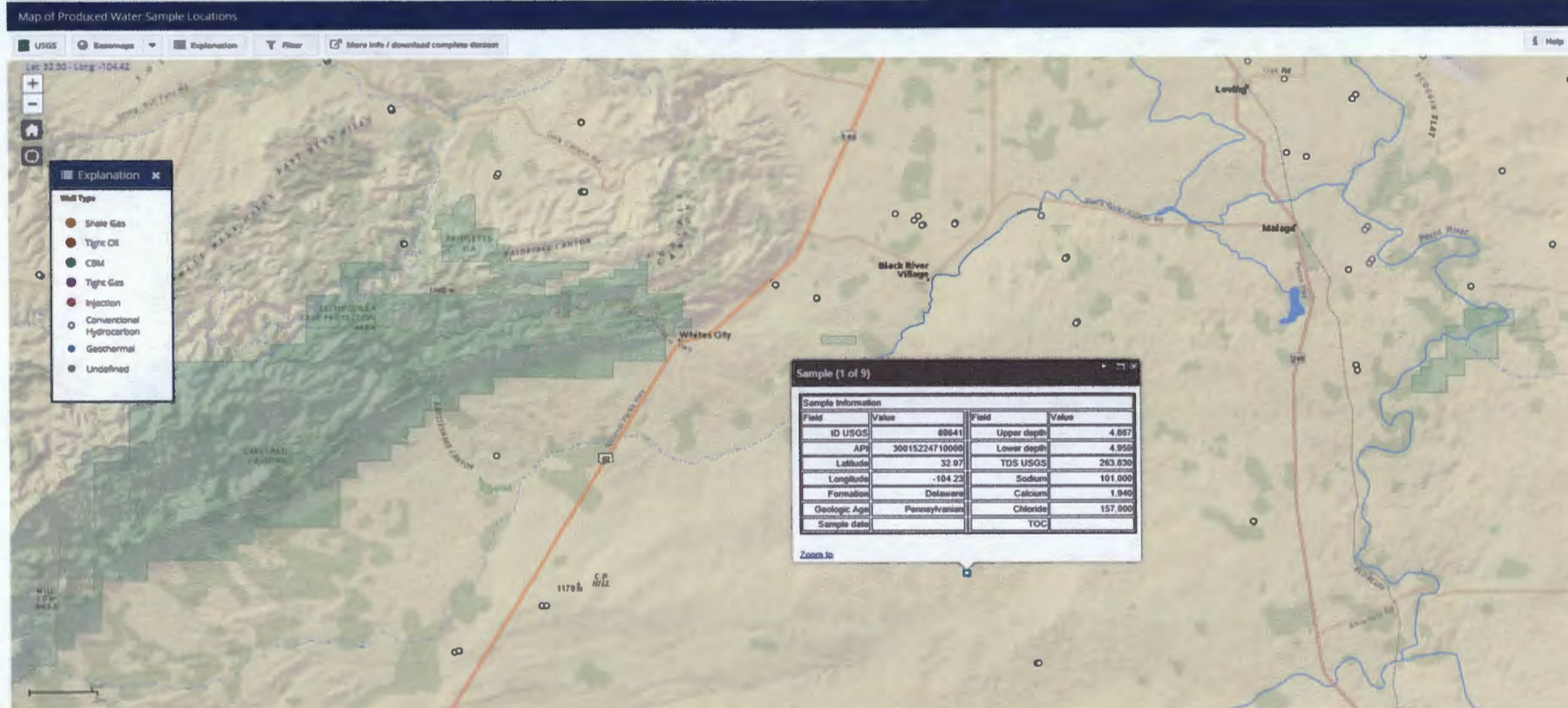
Safety, Spill Prevention and Release Response

Above-ground storage tanks (ASTs) associated with the SWD operation will be placed into a steel-walled, lined containment system. The well, injection equipment and ASTs will be equipped with metering and pressure sensing devices in an effort to monitor and ensure the integrity of the equipment and prevent accidental releases to the environment.

In the event of an accidental releases to the environment, a Release Notification (NMOCD Form C-141) will be prepared, characterizing the release and proposing remediation activities designed to mitigate environmental impacts, as necessary. In the event of an accidental discharge of greater than 25 bbls, the NMOCD will be notified immediately.

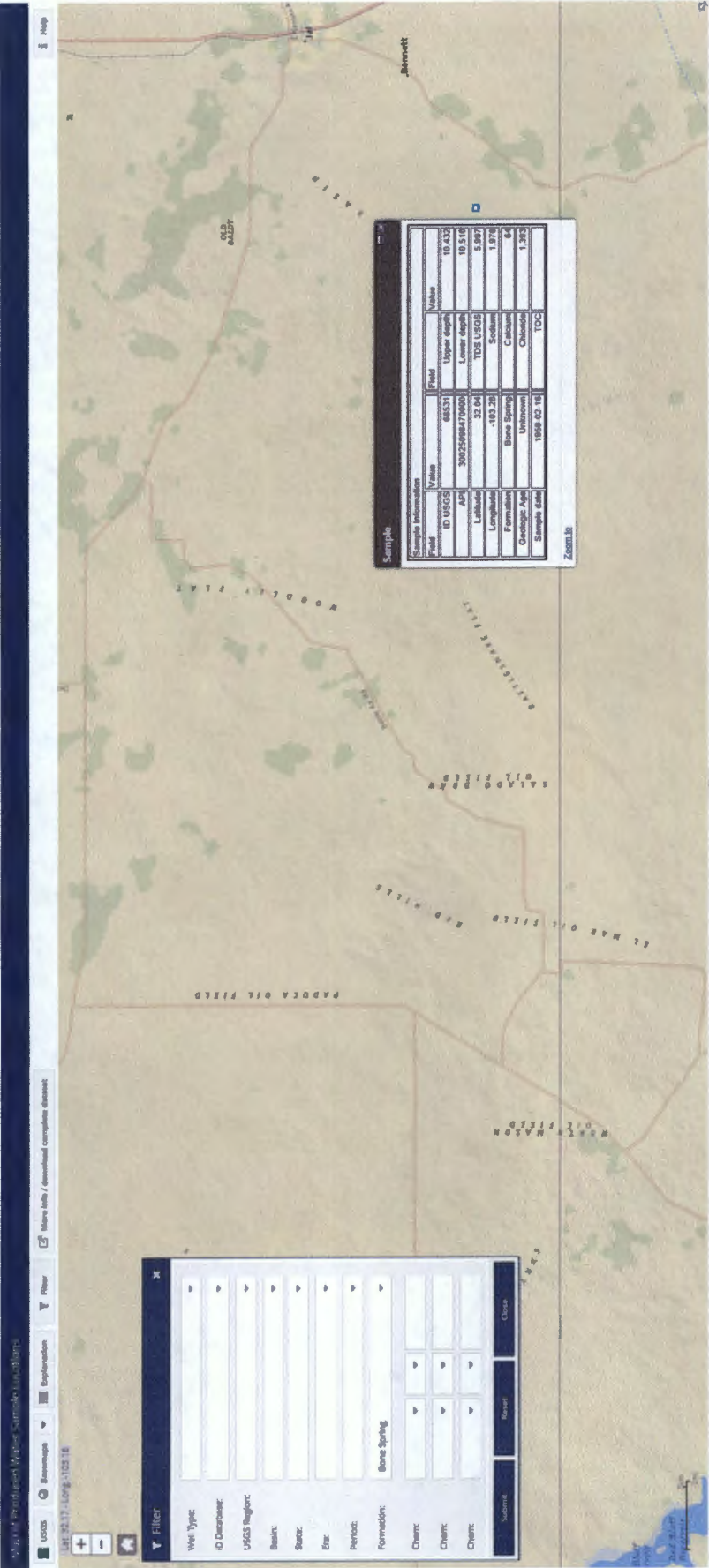
Attachment 4A - Source Zone Produced Water

Delaware



Attachment 4A - Source Zone Produced Water

Bone Spring



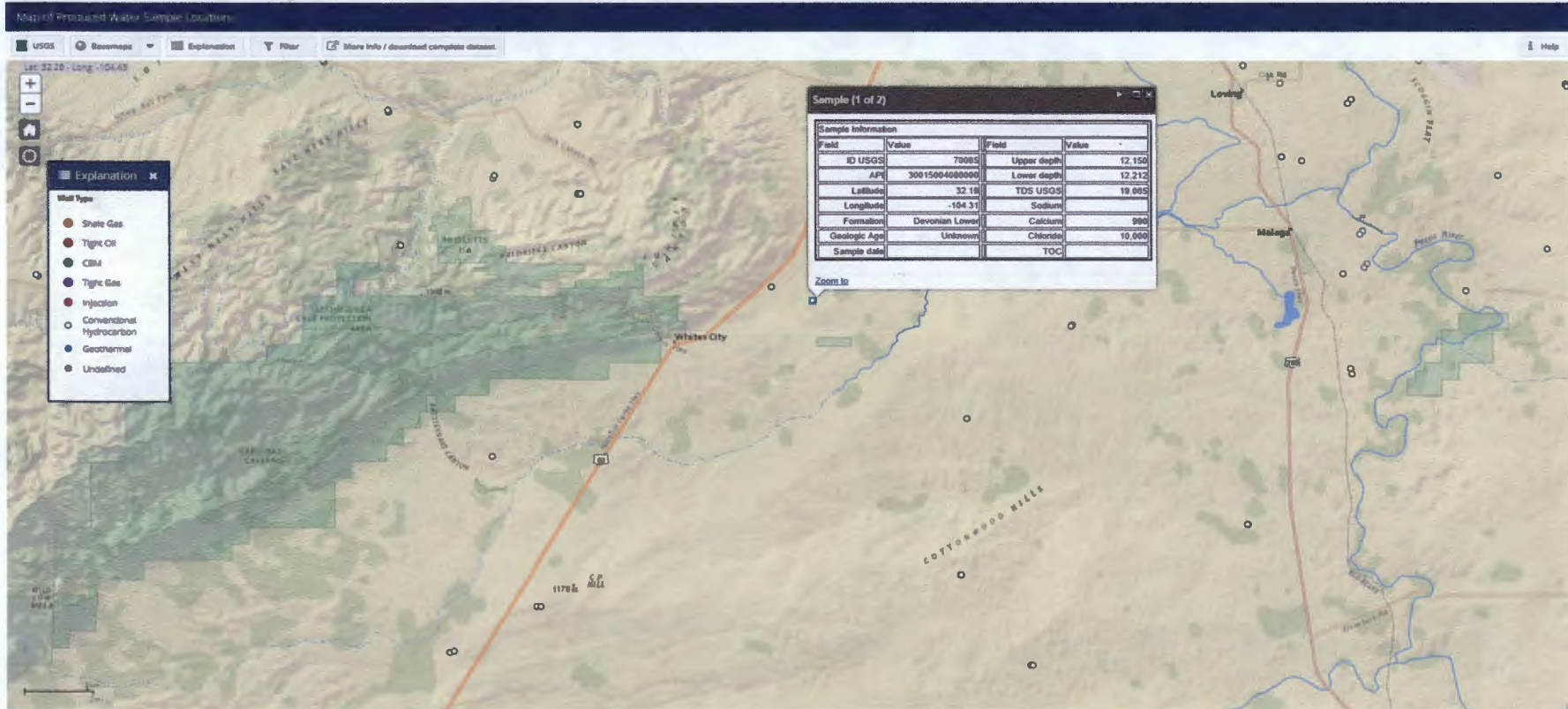
Attachment 4A - Source Zone Produced Water

Wolfcamp



Attachment 4B - Injection Zone Produced Water

Devonian



ATTACHMENT #5

A. Geological Description

B. Seismic Information

VIIIa Geologic Description

a. Attach appropriate geologic data on the injection zone including appropriate lithological detail, geologic name, thickness, and depth.

The proposed injection interval consists of sedimentary rock formations deposited during the Devonian and Silurian Periods. The Devonian Formation consists of porous dolomites, chert intervals and limestone (McGlasson, E.H. 1967). The thickness of the Devonian and Silurian Formations is estimated to be approximately 1,000 feet (ft.) locally. Sections of porous dolomite and limestone are believed to be present at the proposed injection site. The proposed injection interval is overlain by the Woodford Shale, which ranges in thickness from 100 to 300 ft. consists of organic-rich dark shales, black cherts, siltstone, sandstone and greenish-colored shales (Broadhead, R.F., 2010). Inferred depths of the proposed injection zone were estimated utilizing completions data from wells within the vicinity.

During the advancement of the proposed well, mud logging data will be utilized to ensure that the thickness of the Devonian and Silurian Formation is adequately defined, allowing for the proper placement of the packer, casing shoe and determination of the open-hole injection interval. Should logging data indicate depth adjustments are required for the casing program, applicable Sundry Notices will be filed with the NMOCD.

b. 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/kg or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

A search of the USGS database suggests the historic presence of **four (4) wells** within the vicinity of the Site. **Each** of the wells were completed in Alluvium and Bolson Deposits. Data from wells with available information suggested static water levels ranged from **33.14 ft. bgs** as measured in a well approximately **2 Mi East-Southeast** of the Site to **87.9 ft. bgs** as measured in a well approximately **1.1 Mi. Southeast** of the Site. There is **one (1) inactive** USGS wells within a 1-Mile radius of the proposed injection well.

A search of the NMOSE database suggests the historic presence of **five (5)** wells within a 1-mile radius of the Site. The wells are were drilled to depths ranging from **70 to 200 ft. bgs**. If available and producing, **two (2)** of the identified fresh water wells will be sampled. Analytical results, if applicable, are provided in Attachment #6.

Other known water sources in the area include the Rustler Formation, which outcrops in the area and the underlying Salado and Castile Formations. Groundwater within the Rustler, Salado and Castile is not a source of drinking water. No usable water is expected to be encountered beyond **300 Ft. bgs**.



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has been
replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub- basin	County	Q Q Q	Sec	Tws	Rng	X	Y	Distance	Depth	Well	Depth	Water	Column
C_00824	C	ED	3	1	3	03	25S	25E	557409	3557916*	1270	70	19	51	
C_01705	C	ED	3	1	3	03	25S	25E	557409	3557916*	1270	70	21	49	
C_01619	C	ED	4	4	4	04	25S	25E	557194	3557504*	1334	100			
C_03291	C	ED	4	4	4	04	25S	25E	557194	3557504*	1334	78	24	54	
C_03748 POD1	C	ED	2	4	4	04	25S	25E	557192	3557661	1371	200			

Average Depth to Water: 21 feet

Minimum Depth: 19 feet

Maximum Depth: 24 feet

Record Count: 5

UTM NAD83 Radius Search (in meters):

Easting (X): 558509.5

Northing (Y): 3557280.2

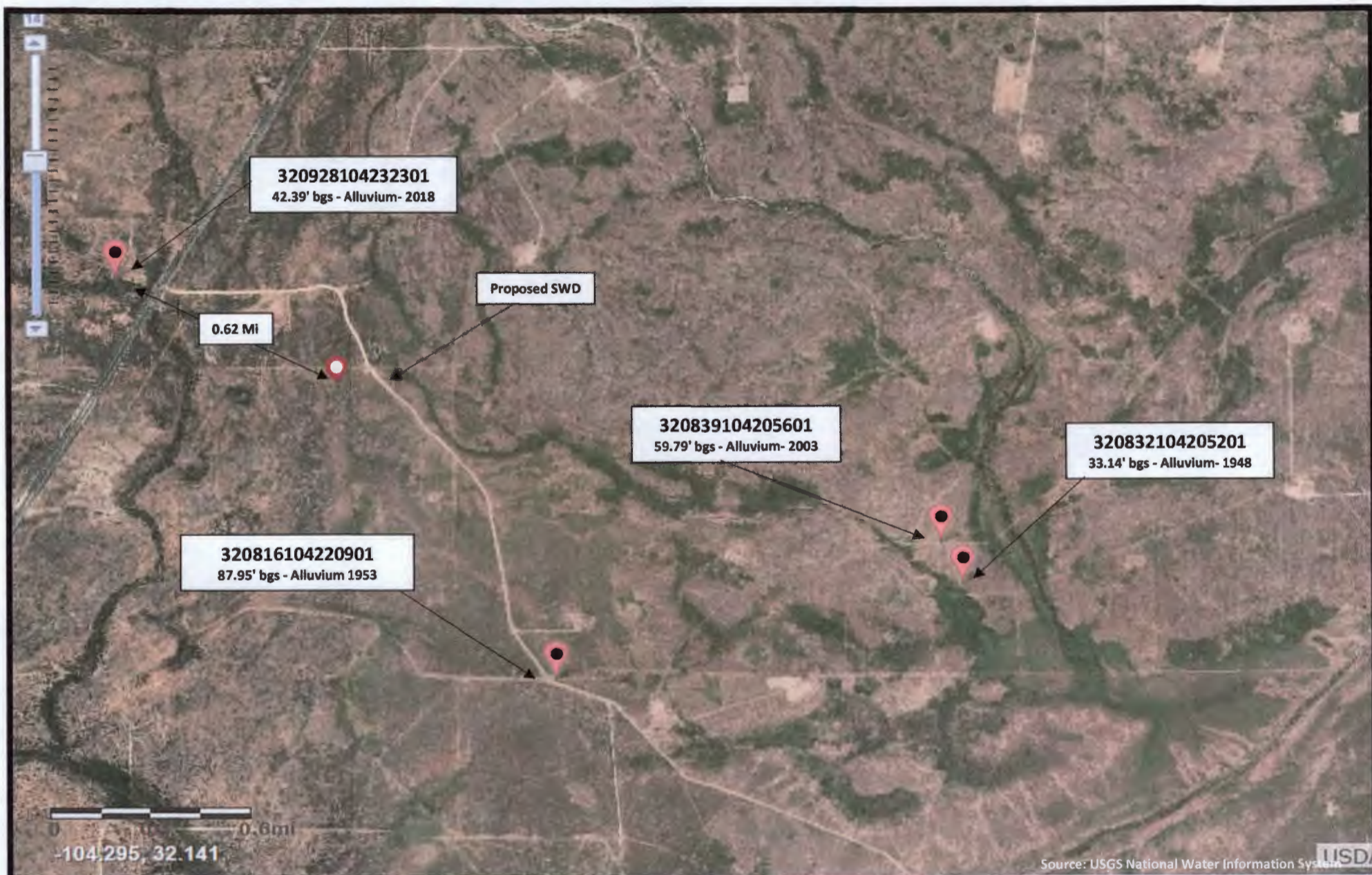
Radius: 1608

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

4/12/19 9:06 AM

WATER COLUMN/ AVERAGE DEPTH TO
WATER



LEGEND:



-  Proposed SWD Location
-  USGS Water Well (Reported)

Figure 3 - USGS Groundwater Resource Map

LilyStream Water Solutions, LLC

Lucas SWD #1

API No. Pending

Legals: UL B, Sec. 10,T25S, R25E

Eddy County, New Mexico



Drafted by: jwl

Checked by: client

Date: 2/11/2019

VIIIb Seismic Information

The proposed injection well is located within the western portion of the Delaware Basin in **Unit Letter "B", Section 10, Township 25 South, Range 25 East** in Eddy County, New Mexico. A review of USGS data available on the ComCat Earthquake Catalog indicates the nearest seismic event exceeding a magnitude of 0.1 occurred approximately **17.8 Mi** northeast of Site. The seismic event was reported as a magnitude 3.9 occurring in November of 1974.

The nearest fault trace is approximately **1.7 Mi North** of the proposed injection well. The fault trace is indicative of a normal fault striking Northeast-Southwest.

Data available on the ComCat Earthquake Catalog suggests the recorded seismic events within the region did not occur on the described faults.



Faults traces are depicted as green linear features. Seismic events with available data are depicted as grey dots of which the size is representative of the magnitude. Details regarding the depicted faults are provided on the following page.

Sources:

Bureau of Economic Geology. Accessed February 2019. Permian Basin Geologic Synthesis Project.
<https://gis.utlands.utsystem.edu/ags/rest/services/GeologicFeatures/MapServer>

U.S. Geological Survey (USGS). February 2019. Earthquakes Hazard Program: ComCat Earthquake Catalog.
<https://earthquake.usgs.gov/learn/kml.php>

VIIIb Seismic Information

A recent publication prepared by Snee and Zoback (2018) entitled "State of Stress in the Permian Basin, Texas and New Mexico" discusses the fault slip potential of fault traces compiled from Ewing et al. (1990), Green and Jones (1997), Ruppel et al. (2005) as well the USGS Quaternary Faults and Fold Database. A map detailing their findings with the proposed injection well location superimposed is provided below:

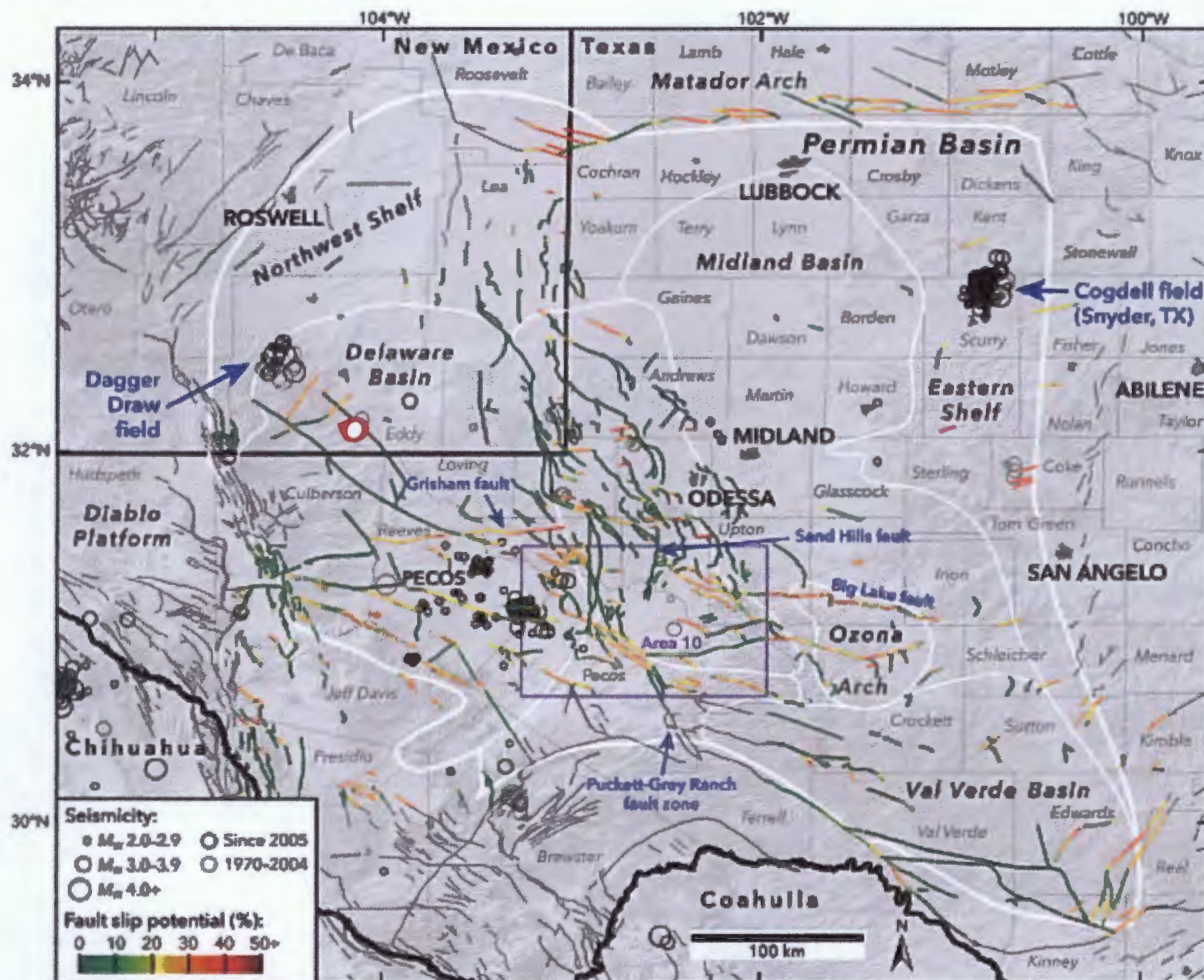


Figure 3. Results of our probabilistic FSP analysis across the Permian Basin. Data sources are as in Figures 1 and 2.

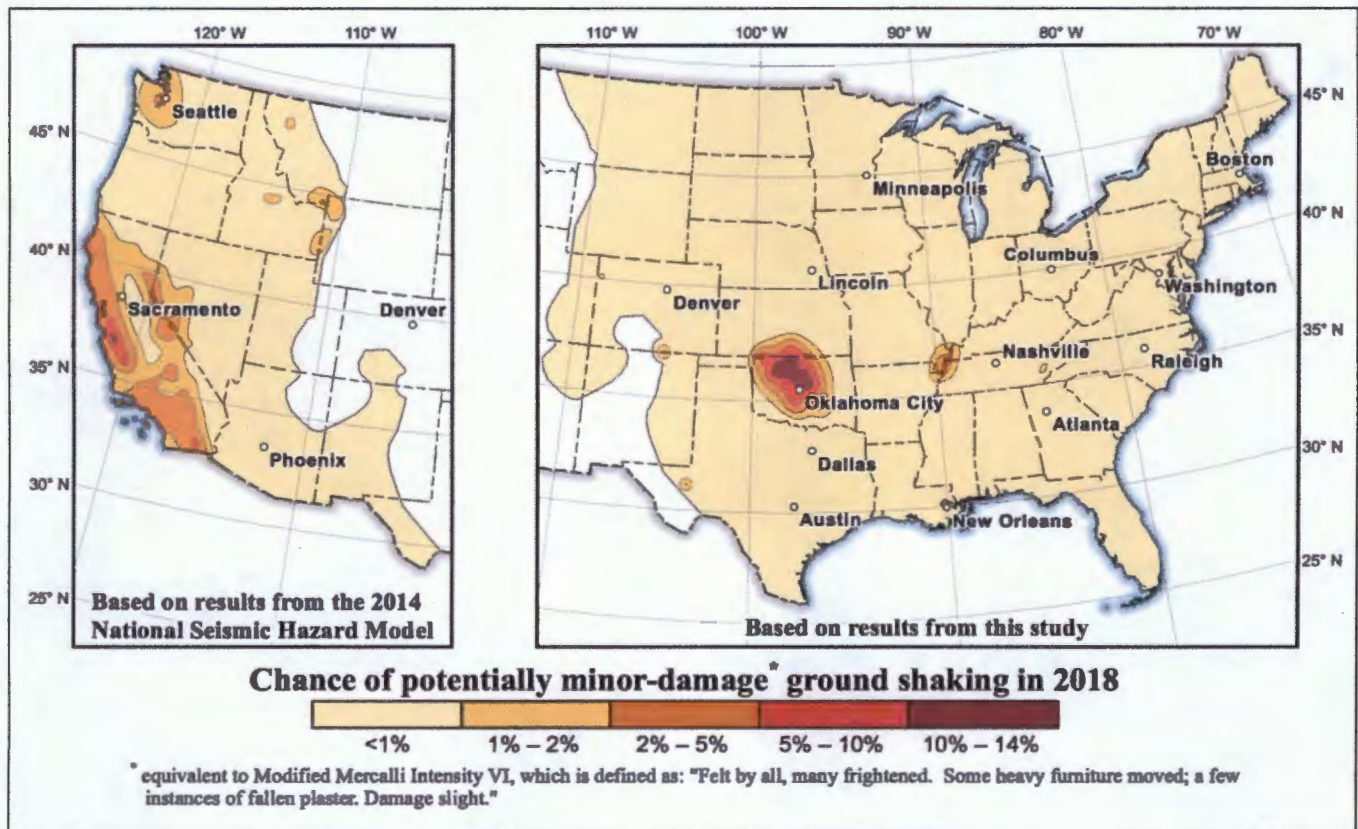
Based on the proposed injection well's distance to known faults, relative low faulting and seismic activity in the area, review of historical earthquake data and the presence of confining layers above and beneath the proposed injection zone, it is unlikely that the proposed injection activities will contribute to a fault-slip event.

Source:

Snee, Jens-Erik Lund, and Mark D. Zoback. 2018 "State of Stress in the Permian Basin, Texas and New Mexico; Implication for Induced Seismicity." *The Leading Edge* 37 (February 2018).

VIIIb Seismic Information

Data from the 2018 USGS One-Year probabilistic seismic hazard forecast suggests there was a less than 1% chance of potentially minor-damage from induced and natural ground shaking in 2018, as depicted on the map below:



Source:

U.S. Geological Survey (USGS). February 2019. Earthquakes Hazard Program: Short-term Induced Seismicity Models.
<https://earthquake.usgs.gov/hazards/induced/index.php#2018>

ATTACHMENT #6

Fresh Water Laboratory Analysis (*if applicable*)

Fresh Water Sample Location Map (*if applicable*)



LEGEND:

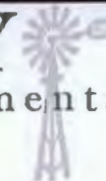
- Sampled Water Well
- *Reported Water Well
- Lucas Ranch

* Not Sampled due to Absence, P&A Status, or Access Issues
 Laboratory Analysis not appended to this report will be provided upon receipt under a separate cover

Figure 5 - Water Well Sample Map
 LilyStream Water Solutions, LLC
 Lucas Ranch

Eddy County, New Mexico

LOWRY
 environmental



Drafted by: jwl

Checked by: client

Date: 2/11/2019



101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476



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

April 15, 2019

JOEL LOWRY

LOWRY ENVIROMENTAL & ASSOCIATES

PO BOX 296

LOVINGTON, NM 88260

RE: LUCAS SWD

Enclosed are the results of analyses for samples received by the laboratory on 04/08/19 14:20.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-18-11. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/ga/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Coley D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 LOWRY ENVIROMENTAL & ASSOCIATES
 JOEL LOWRY
 PO BOX 296
 LOVINGTON NM, 88260
 Fax To:

 Received: 04/08/2019
 Reported: 04/15/2019
 Project Name: LUCAS SWD
 Project Number: NONE GIVEN
 Project Location: EDDY CO NM

 Sampling Date: 04/08/2019
 Sampling Type: Water
 Sampling Condition: Cool & Intact
 Sample Received By: Tamara Oldaker

Sample ID: 2101 (H901273-01)

Chloride, SM4500Cl-B		mg/L	Analyzed By: AC							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride*	44.0	4.00	04/11/2019	ND	104	104	100	3.92		
TDS 160.1		mg/L	Analyzed By: AC							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TDS*	2010	5.00	04/15/2019	ND	506	96.0	527	2.08		

Sample ID: 0201 (H901273-02)

Chloride, SM4500Cl-B		mg/L	Analyzed By: AC							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride*	36.0	4.00	04/11/2019	ND	104	104	100	3.92		
TDS 160.1		mg/L	Analyzed By: AC							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TDS*	2360	5.00	04/15/2019	ND	506	96.0	527	2.08		

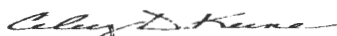
Sample ID: 2201 (H901273-03)

Chloride, SM4500Cl-B		mg/L	Analyzed By: AC							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride*	252	4.00	04/11/2019	ND	104	104	100	3.92		
TDS 160.1		mg/L	Analyzed By: AC							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
TDS*	4650	5.00	04/15/2019	ND	506	96.0	527	2.08		

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

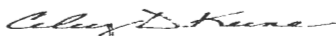
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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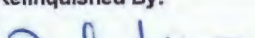



Celey D. Keene, Lab Director/Quality Manager

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

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Relinquished By:		Date:	Received By:	Phone Result:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
		Time:		Fax Result:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date:		REMARKS:		
		Time:				
Delivered By: (Circle One)		Sample Condition		CHECKED BY:		
Sampler - UPS - Bus - Other:		Cool Intact		(Initials)		
0.6c #97		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No		TS		

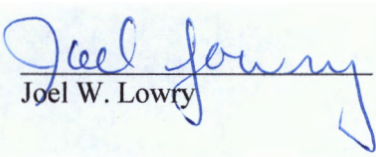
ATTACHMENT #7

Affirmative Statement

XII. AFFIRMATIVE STATEMENT

Re: LilyStream Water Solutions, LLC
Lucas SWD #1
Legals: UL B, Sec. 10, T25S, R25E

Available geologic and engineering data has been examined and we find no evidence of open faults or any hydrologic connection between the disposal interval and any underground sources of drinking water.

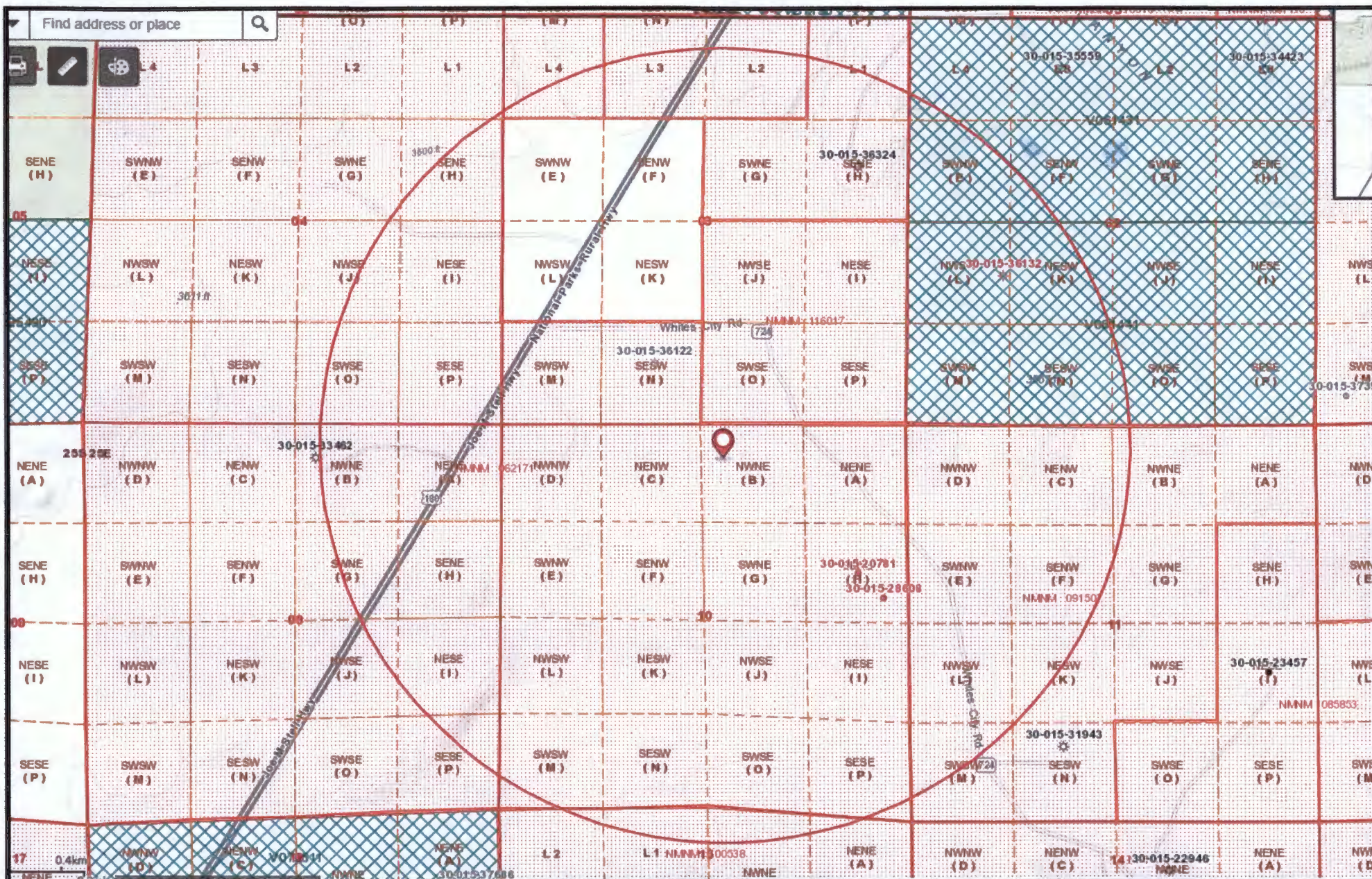

Joel W. Lowry

LOWRY
environmental



ATTACHMENT #8

Proof of Notice Documentation



LEGEND:



Proposed SWD Location



1-Mile Radius

Figure 4 - Leasehold Operator Map

LilyStream Water Solutions, LLC

Lucas SWD #1

API No. Pending

Legals: UL B, Sec. 10, T25S, R25E

Eddy County, New Mexico

LOWRY
environmental



Drafted by: jwl

Checked by: client

Date: 2/11/2019

XIV. PROOF OF NOTICE

Surface Owner:

Berry and Janice Lucas, husband and
P.O. Box 96
White City, NM 88268

Leasehold Operators and/or Unleased Mineral Owners within a One-Mile Radius:

EOG M Resources, Inc.
105 S. 4th St.
Artesia, NM 88210

Cimarex Energy Co. of Colorado
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

EOG Y Resources, Inc.
105 S 4th St.
Artesia, NM 88210

Tap Rock Operating, LLC
602 Park Point Drive Suite 200
Golden, CO 80401

EOG A Resources, Inc.
105 S. 4th St.
Artesia, NM 88210

Concho Oil & Gas LLC
600 W. Illinois Ave
Midland, TX 79701

Oxy Y-1 Company
P.O. Box 27570
Houston, TX 77227

Hanagan, Robert W
223 West Wall #301
Midland, TX 79702

COG Operating LLC
600 W. Illinois Ave
Midland, TX 79701

French L R Jr
P.O. Box 11327
Midland, TX 79701

JKM Energy, LLC
26 E. Compress Road
Artesia, NM 88210

Cabal Energy Corp
415 W. Wall St STE 1700
Midland, TX 79701

Cimarex Energy Co.
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

XTO Holdings LLC
810 Houston St
Fort Worth, TX 76102

XIV. PROOF OF NOTICE

Regulatory Agency:

NMOCD - Santa Fe
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NMOCD - District 2
811 S. First
Artesia, NM 88210

XIV. PROOF OF NOTICE

7018 3090 0002 1929 6791

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
ARTESIA, NM 88210	
Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$2.35
Total Postage and Fees	\$8.65
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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$2.35
Total Postage and Fees	\$8.65
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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$8.65
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<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$8.65
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Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$2.35
Total Postage and Fees	\$8.65
Sent To	
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<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$2.35
Total Postage and Fees	\$8.65
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XIV. PROOF OF NOTICE

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FORT WORTH, TX 76102	
Certified Mail Fee \$3.50	Postmark Here APR 19 2019 04/19/2019
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$0.00	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery \$0.00	
<input type="checkbox"/> Adult Signature Required \$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
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<input type="checkbox"/> Return Receipt (hardcopy) \$0.00	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery \$0.00	
<input type="checkbox"/> Adult Signature Required \$0.00	
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Postage \$2.35	
Total Postage and Fees \$8.65	
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GOLDEN, CO 80401	
Certified Mail Fee \$3.50	Postmark Here APR 19 2019 04/19/2019
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$0.00	
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<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
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Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$0.00	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
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<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
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Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$0.00	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
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<input type="checkbox"/> Adult Signature Required \$0.00	
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Total Postage and Fees \$8.65	
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<input type="checkbox"/> Return Receipt (electronic) \$0.00	
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<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
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XIV. PROOF OF NOTICE

7017 2620 0001 0352 0666

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ARTESTIA NM 88210	
Certified Mail Fee \$3.50	<div>0660 05</div> <div>APR 19 2019</div> <div>Postmark Here</div> <div>04/19/2019</div> <div>USPS</div>
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<input type="checkbox"/> Adult Signature Required \$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
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For delivery information, visit our website at www.usps.com	
HOUSTON TX 77227	
Certified Mail Fee \$3.50	<div>0660 05</div> <div>APR 19 2019</div> <div>Postmark Here</div> <div>04/19/2019</div> <div>USPS</div>
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<input type="checkbox"/> Return Receipt (hardcopy) \$2.80	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
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<input type="checkbox"/> Adult Signature Required \$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
Sent To	
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	
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ARTESTIA NM 88210	
Certified Mail Fee \$3.50	<div>0660 05</div> <div>APR 19 2019</div> <div>Postmark Here</div> <div>04/19/2019</div> <div>USPS</div>
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<input type="checkbox"/> Return Receipt (hardcopy) \$2.80	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery \$0.00	
<input type="checkbox"/> Adult Signature Required \$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
Sent To	
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	
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7017 2620 0001 0352 0697

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ARTESTIA NM 88210	
Certified Mail Fee \$3.50	<div>0660 05</div> <div>APR 19 2019</div> <div>Postmark Here</div> <div>04/19/2019</div> <div>USPS</div>
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$2.80	
<input type="checkbox"/> Return Receipt (electronic) \$0.00	
<input type="checkbox"/> Certified Mail Restricted Delivery \$0.00	
<input type="checkbox"/> Adult Signature Required \$0.00	
<input type="checkbox"/> Adult Signature Restricted Delivery \$0.00	
Postage \$2.35	
Total Postage and Fees \$8.65	
Sent To	
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

April 18, 2019

NOTIFICATION TO INTERESTED PARTIES

Via U.S. Certified Mail - Return Receipt Requested

RE: Application for Authroization to Inject
 Lucas SWD #1
 Township 25S, Range 25E, N.M.P.M
 Section 10, 250' FNL & 2,390' FEL
 Eddy County, New Mexico

To Whom It May Concern:

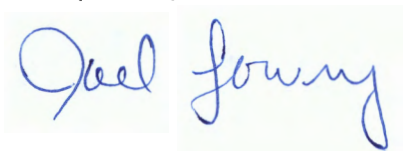
Enclosed for your review is a copy of a C-108 Application submitted by LilyStream Water Solutions, LLC, Lovington, New Mexico, to the New Mexico Oil Conservation Division to drill and complete for produced water disposal the Lucas SWD #1.

The well is located in Section 10, Township 25S, Range 25E, 250' FNL and 2,390' FEL, Eddy County, New Mexico.

As required by NMOCD, we are notifying you because you have been indentified as an operator or surface owner and therefor an affected party by this action. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter.

The well will be a commercial SWD well taking produced water from oil and gas operations in the surrounding area. Please contact Joel Lowry with Lowry Environmental and Associates, LLC, at 432.466.4450 , with any questions or concerns regarding this well or application.

Respectfully,



Joel W. Lowry

LOWRY 
e n v i r o n m e n t a l

XIV. PROOF OF NOTICE

Affidavit of Publication

Copy of Publication

Affidavit of Publication

No. 25081

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says that he is the **Publisher**
of the Artesia Daily Press, a daily newspaper of General
circulation, published in English at Artesia, said county
and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutive weeks/day on the same

day as follows:

First Publication April 21, 2019

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Sixth Publication

Seventh Publication

Subscribed and sworn before me this

22nd day of April 2019



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Legal Notice

LilyStream Water Solutions, LLC, 1308 W. Ave D, Lovington, NM 88260, is filing Form C-108 for an application for Authority to Inject with the New Mexico Oil and Conservation Division requesting administrative approval for a salt water disposal well. The proposed newly drilled well, the Lucas SWD No. 1 is located at 250' FNL & 2,390' FEL, Section 10, Township 25S Range 25E, N.M.P.M., Eddy County, New Mexico: approximately 19.5 miles Southwest of Carlsbad down National Parks Hwy, NM down and 0.5 Miles Southeast on White City Road . (API # to be assigned). Produced water from area oil and gas producing wells will be commercially disposed into the Devonian and Silurian formations from 11,932' to 13,032' below surface. Expected maximum injection rate is 30,000 bpd, and the expected maximum injection pressure is 2,386 psi. Questions concerning the application can be directed to the applicant's agent Lowry Environmental, LLC, PO Box 948, Lovington, NM 88260, by phone (432) 466-4450 or email joel@lowryenvironmental.com. Objections or request for hearing must be directed to the Oil Conservation Division, (505) 476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within 15 days.

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