GOVERNMENT RELATIONS · ENERGY · PLANNING · TECHNOLOGY ENGINEERING · ENVIRONMENTAL

August 8, 2018

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

AUG 1 0 2018

__BY: K DIGGINS

Subject: Solaris Water Midstream -- Notice of Application for Authorization to Inject

To Whom It May Concern:

The purpose of this letter is to provide notice that Solaris Water Midstream, LLC (Solaris) of Houston, Texas is applying for administrative approval of the Breckenridge State SWD #1 Class IID injection well in Lea County, New Mexico for the purpose of disposing of produced fluid from oil and natural gas wells into the Devonian-Silurian formations. Please see the attached Application for Authorization to Inject for detailed information regarding the proposed well and associated injection operations.

Any interested party may file an objection to the application or may request a public hearing. Any objection or request for hearing must be filled with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 within 15 days from the date this letter is received.

Sincerely, ALL Consulting

Dan Arthur, P.E., SPEC President/Chief Engineer

Attachment

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

	APPLICATION FOR AUTHORIZATION TO INJECT
I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? X Yes No
11.	OPERATOR: <u>Solaris Water Midstream, LLC</u>
	ADDRESS:9811 Katy Freeway, Suite 900, Houston, TX 77024
	CONTACT PARTY: Bonnie Atwater PHONE: 432-203-9020
M.	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.
IV.	Is this an expansion of an existing project?YesNo 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.
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.
VII.	Attach data on the proposed operation, including:
	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, 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.).
•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.
IX.	Describe the proposed stimulation program, if any.
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
*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.
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.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
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: Bonnie Atumter TITLE: Rog Toch SIGNATURE: BB-18
•	E-MAIL ADDRESS: Donnie, A + white - a solar is mid Stream. 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:

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

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) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- 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) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 2

Application for Authorization to Inject Well Name: Breckenridge State SWD #1

General Well Information

Operator: Solaris Water Midstream, LLC **Lease Name & Well Number:** Breckenridge State SWD #1 **Well Footage:** 2,595' FSL & 1,545' FWL **Location:** S32 T24S R35E

Casing Information

ন্ট্রেন	diserio.			Siding	Sidoof Commit	Elimbro	Misticol
Surface	24"	20*	94.0 lb/ft	800'	1,020	Surface	Circulation
Intermediate 1	17-1/2"	13-3/8"	54.5 lb/ft	5,400'	3,170	Surface	Circulation
Intermediate 2	12-1/4"	9-5/8 [™]	53.5 lb/ft	12,990'	3,420	Surface	Circulation
Liner	8-1/2"	7-5/8"	39 lb/ft	15,770'	200	12,690' (TOL)	CBL

(The Wellbore Diagram is attached)

Tubing Information

5-1/2" (23#) Internal Plastic Coated Tubing swedged down to 5" (18#) with setting depth of 15,750'

Packer Information Lok-set or equivalent packer set at 15,750'

Geology Information

Injection Formation Name: Devonian and Silurian-Fusselman formations Injection Interval: Open-hole injection between 15,770' – 17,150' Drilling Purpose: New Drill for Salt Water Disposal Other Perforated Intervals: No other perforated intervals exist. Overlying Oil and Gas Zones and Formation Tops:

- Delaware (5,380')
- Bone Springs (9,100')
- Wolfcamp (12,255')
- Atoka (13,800')
- Morrow (14,425')

Underlying Oil and Gas Zones: No underlying oil and gas zones exist.

Proposed Operation

Proposed Maximum Injection Rate: 30,000 bpd Proposed Average Injection Rate: 15,000 bpd Proposed Maximum Injection Pressure: 3,154 psi (surface) Proposed Average Injection Pressure: approximately 1,500 – 2,000 psi (surface)



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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION



- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

TH	IS CHECKLIST IS MA	NDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applica	[BHC-Down [PC-Poo	
[1]	TYPE OF AP [A]	PLICATION - Check Those Which Apply for [A] -5 Location Location - Spacing Unit - Simultaneous Dedication -5 CLanis WAter miles trace NSL NSP SD
	Check [B]	One Only for [B] or [C] 371643 Commingling - Storage - Measurement DHC DHC CTB PLC PC OLS OLM Leij
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery - 3 neckennidge WFX PMX SWD PIPI EOR PPR
	[D]	Other: Specify
[2]	NOTIFICATI [A]	Working, Royalty or Overriding Royalty Interest Owners
	[B]	☐ Offset Operators, Leaseholders or Surface Owner → Decuric
	[C]	Application is One Which Requires Published Legal Notice S. Lunian
	[D]	 ☑ Offset Operators, Leaseholders or Surface Owner ☑ Application is One Which Requires Published Legal Notice ☑ Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
	[E]	I For all of the above, Proof of Notification or Publication is Attached, and/or,
	[F]	Waivers are Attached
[2]	SUDMET ACC	VIDATE AND COMPLETE INCOMATION DECLUDED TO BROCESS THE TYPE

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE **OF APPLICATION INDICATED ABOVE.**

CERTIFICATION: I hereby certify that the information submitted with this application for administrative [4] 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 n	nust be completed by an individual with ma	nagerial and/or supervisory capacity.	
J. Daniel Arthur, P.E., SPEC	Rantation	Consulting Engineer - ALL Consulting	08/16/2018
Print or Type Name	Signature	Title	Date

darthur@all-llc.co),
e-mail Address	



August 16, 2018

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

Subject: Solaris – Breckenridge State SWD #1 – Application for Authorization to Inject

To Whom It May Concern,

On behalf of Solaris Water Midstream, LLC (Solaris), ALL Consulting, LLC (ALL) is submitting the enclosed Application for Authorization to Inject for the Breckenridge State SWD #1, a proposed salt water disposal well, in Lea County, NM.

Should you have any questions regarding the enclosed application, please contact Nate Alleman at (918) 382-7581 or nalleman@all-llc.com.

Sincerely, ALL Consulting

Nate Alleman Project Manager

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

APPLICATION FOR	AUTHORIZA	TION TO INJECT

	APPLICATION FOR AUTHORIZATION TO INJECT
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XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
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: $\underline{A} + \underline{a} + \underline{a} + \underline{c} + $
	SIGNATURE: DENNIE (UWA UN DATE: 88-8

E-MAIL ADDRESS: Drame At water a solaris Mid Stream 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:

Side 2

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Application for Authorization to Inject

Well Name: Breckenridge State SWD #1

III - Well Data (The Wellbore Diagram is included as Attachment 1)

Α.

(1) General Well Information:

Operator: Solaris Water Midstream, LLC

Lease Name & Well Number: Breckenridge State SWD #1

Well Footage: 2,595' FSL & 1,545' FWL

Location: S32 T24S R35E

Casing Information:

Туре	Hole Size	Casing Size	Casing Weight	Setting Depth	Sacks of Cement	Estimated TOC	Method Determined
Surface	24"	20"	94.0 lb/ft	800'	1,020	Surface	Circulation
Intermediate 1	17-1/2"	13-3/8"	54.5 lb/ft	5,400'	3,170	Surface	Circulation
Intermediate 2	12-1/4"	9-5/8"	53.5 lb/ft	12,990'	3,420	Surface	Circulation
Liner	8-1/2"	7-5/8"	39 lb/ft	15,770′	200	12,690'(TOL)	CBL

(2) Tubing Information:

5-1/2" (23#) Internal Plastic Coated Tubing swedged down to 5" (18#) with setting depth of 15,750'

(3) Packer Information: Lok-set or equivalent packer set at 15,750'

В.

- (1) Injection Formation Name: Devonian and Silurian-Fusselman formations
- (2) Injection Interval: Open-hole injection between 15,770' 17,150'
- (3) Drilling Purpose: New Drill for Salt Water Disposal
- (4) Other Perforated Intervals: No other perforated intervals exist.
- (5) Overlying Oil and Gas Zones:
 - Delaware (5,380')
 - Bone Springs (9,100')
 - Wolfcamp (12,255')
 - Atoka (13,800')
 - Morrow (14,425')

Underlying Oil and Gas Zones: No underlying oil and gas zones exist.

V – Well and Lease Maps

A well map and lease map are included in Attachment 2.

VI – AOR Well List

A list of the wells within the AOR is included in Attachment 2.

VII – Proposed Operation

- (1) Proposed Maximum Injection Rate: 30,000 bpd Proposed Average Injection Rate: 15,000 bpd
- (2) A closed system will be used.
- (3) Proposed Maximum Injection Pressure: 3,154 psi (surface)
 Proposed Average Injection Pressure: approximately 1,500 2,000 psi (surface)
- (4) Source Water Analysis: It is expected that the injectate will consist of produced water from production wells completed in the Wolfcamp and Bone Springs formations. Analysis of water from these formations is included in *Attachment 3*.
- (5) Injection Formation Water Analysis: The proposed well will be injecting water into the Devonian and Silurian-Fusselman formation which is known to be compatible with formation water from the Wolfcamp and Bone Springs formations. . Water analyses from Silurian-Fusselman could not be located; however, water analyses from the Devonian formation in the area are included in *Attachment 4*.

VIII – Geologic Description

The proposed injection interval includes the Devonian and Silurian-Fusselman formations from 15,770 - 17,150 feet. These formations consist of carbonates including light colored dolomite and chert intervals interspersed with some tight limestone intervals. Several thick sections of porous dolomite capable of taking water are present within the subject formations in the area.

The freshwater formation is the Rustler at a depth of approximately 775 feet. Water well depths in the area range from 97-431 feet below ground surface.

IX – Proposed Stimulation Program

A small cleanup acid job may be used to remove mud and drill cuttings from the formation. However, no other formation stimulation is currently planned.

X – Logging and Test Data

Logs will be submitted to the Division upon completion of the well.

XI – Fresh Groundwater Samples

Based on a review of data from the New Mexico Office of the State Engineer, no groundwater wells are located within the 1-mile of the proposed SWD location; therefore, no groundwater samples were collected in association with this application. A water well map of the area is included in *Attachment 5*.

XII – No Hydrologic Connection Statement

No faulting is present in the area that would provide a hydrologic connection between the injection interval and overlying USDWs. Additionally, the casing program has been designed to ensure there will be no hydrologic connection between the injection interval and overlying USDWs. A letter from a knowledgeable and qualified expert stating that there is a low risk of seismic activity from the proposed injection activities is included in **Attachment 6**.

XIII – Proof of Notice

A Public Notice was filed with the Hobbs News-Sun newspaper and an affidavit is included in *Attachment 7*.

A copy of the application was mailed to the OCD District Office, landowner, and leasehold operators within the AOR of the proposed SWD location. A list of recipients, as well as delivery confirmations, are included in *Attachment 7*.

Attachments

Attachment 1: Wellbore Diagram Attachment 2: Area of Review Well Map, Lease Map, and Well Details

Attachment 3: Source Water Analyses

Attachment 4: Injection Formation Water Analyses

Attachment 5: Water Well Map

Attachment 6: Induced Seismicity Assessment Letter

Attachment 7: Public Notice Affidavit and Notice of Application Confirmations

Attachment 1

Wellbore Diagram



A-3 and AL-2 LOK-SET Retrievable Casing Packers

Product Family No. H64630 and H64628

APPLICATION

The A-3[~] LOK-SET[~] packer combines advantages of a retrievable packer with the features of a permanent packer. An ability to lock down tubing forces makes the A-3 suitable for a broad range of applications, including production, injection, zone isolation, and remedial operations. The AL-2[~] LOK-SET packer is similar to the A-3, and has a larger bore.

Advantages

- Holds pressure from above and below, without relying on set-down weight, tubing tension, or hydraulic hold down
- Provides tubing anchoring with tension applied, suitable for pumping wells or injection, controlling tubing forces related to change fluid temperatures
- Opposed, non-transferring, dovetail slips prevent packer movement associated with changing differential pressures, while allowing the landing of the tubing in tension, neutral or compression
- Right-hand tubing rotation controls setting and releasing
- Packing element compression locks in by ratcheting action of lock segments, which restricts rotation to one direction

Accessories

To provide a simple and reliable injection system for retrieving an injection string without having to unseat the packer:

L-10 or L-316 on-off sealing connectors, Product Family Nos. H68420 and H68422. Baker Hughes blanking plug can be used in the seating nipple profile of the on-off sealing connector to provide a means of plugging the lower zone while the tubing is being pulled.



	Casing				Packer		
0	D	Weight +	Size	Non	n ID	Max (Ring	
in.	mm	łb/ft		in.	mm	in.	mm
4	101.6	9.5-12.9	41A2	1.500	38.1	3.244	82.4
4-1/2	144.3	21.6-23.6	41A2	1.500	38.1	3.244	82.4
4	101.6	9.5	41A4	1.500	38.1	3.423	112.4
		18.8	41A4	1.500	38.1	3.423	112.4
		13.5-17.7	41B	1.500	30.1	3.578	90.9
4-1/2	114.3	11.6-13.5	43A2	4.070	50.0	3.786	96.2
		9.5-10.5	43A4	1.978	50.2	3.786	96.2
		15-18	43B			4.140	105.2
5	127.0	11.5-15	43C	1.978	50.2	4.265	108.3
		26	43C			4.265	108.3
		20-23	45A2			4.515	114.7
5-1/2	139.7	15.5 - 20	45A4	1.978	50.2	4.656	118.3
		13-15.5	458	1		4.796	121.8
		26	45B			4.796	121.8
6	152.4	20-23	45C	1.978	50.2	5.078	129.0
Ū		15-18	45D			5.171	131.3
		34	45E			5.421	137.7
		24-32	45F	1.978	50.2	5.499	139.7
6-5/8	168.3	24	47A2	2.441	62.0	5.671	144.0
0.00	100.0	17-24	45G	1.978	50.2	5.796	147.2
		17-20	47A4	2.441	62.0	5.827	148.0
		38	47A2	1		5.671	144.0
		32-35	47A4	1		5.827	148.0
7	177.8	2629	47B2	2.441	62.0	5.983	152.0
		23-26	47B4	1		6.093	154.8
		17-20	47C2	1	1	6.281	159.5
		33.7-39	47C4	1		6.468	164.3
7-5/8	193.7	24-29.7	47D2	2.441	62.0	6.687	169.9
		20-24	4704	1		6.827	173.4
		44-49	49A2			7.327	186.1
8-5/B	219.1	32-40	49A4	3.500	88.9	7.546	191.7
		20-28	49B	1		7.796	198.0
		47-53.5	51A2			8.234	209.
9-5/8	244.5	40-47	51A4	3.500	88.9	8.452	214.7
		29.3-36	51B			8.608	218.0

SPECIFICATION GUIDES

A-3" LOK-SET Retrievable Casing Packer, Product Family No. H64630

AL-2° Large Bore LOK-SET Retrievable Casing Packer Product Family No. H64628

Cas	sing				Pac	ker			
0	Ð	Weight *	Size	Non	n ID	Max Gag	e Ring OO	Max Dia Compressed	
in.	mm	lb/ft		in.	mm	In.	mm	in.	त्रात
		20	45A2 x 2-3/8			4.562	115.9	4.592	116.6
5-1/2	139.7	15.5-17	45A4 x 2-3/8	2.375	60.3	4.656	118.3	4.750	120.7
		13	458 x 2-3/8			4.796	121.8	4.902	124.5
6	152.4	26	458 x 2-3/8	2.375	60.3	4.796	121.8	4.902	124.5

 When selecting a packer for a casing weight common to two weight ranges (same OD), choose the packer size shown for the lighter of the two weight ranges. Example: for 7-in. (177.8 mm) OD 26 lb/ft casing use packer size 47B4. Under certain circumstances the other packer size may be run, such as when running in mixed casing strings.

Repair kits, including such items as packing elements, seal rings, etc., are available for redressing Baker Retrievable Packers. Contact your Baker Hughes representative. Use only Baker Hughes repair parts.

Attachment 2

Area of Review Well Map, Lease Map, and Well Details





Map 1 of 2 (East)



Map 2 of 2 (West)

A	AOR Tabulation for	on for Bre	ckenridge State S	WD #1 (T	r Breckenridge State SWD #1 (Top of Injection Interval: 15,770')	al: 15,770')		
Well Name	API#	Well Type	Operator	Spud Date	Spud Date Location (Sec., Tn., Rng.) Footage Location Total Depth Inj. Zone?	Footage Location	Total Depth	Penetrate Inj. Zone?
SKULL CAP FEDERAL COM #022H 30-025-43299 0	30-025-43299	0	COG OPERATING LLC 9/5/2016 J-32-24S-35E	9/5/2016		2,590 FSL 1,980 FEL	12581	No
Notes:								
(1) No wells within the AOR penetrate the injection interval.	trate the injectio	n interval.						

Attachment 3

Source Water Analyses



Water Analysis

Date: 23-Aug-11

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

Company _		Well Name	Draw 1	County	State	
		BD	tes-		New Mexico	
Sample Source	Swab Sa	Imple	Sample #	Eddy	1 <i>-265-294</i> 1	
Formation			Depth			
Specific Gravity	1.170		SG	@ 60 °F	1.172	
pН	6.30			Sulfides	Absent	
Temperature (*F)	70		Reducing Agents			
Cations						
Sodium (Calc)		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 fron (FE2)		in Mg/L	10.0	in PPM	9	
Anions						
Chlorides		in Mg/L	130,000	in PPM	110,922	
Sullates		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	alc)	in Mg/L	213,549	in PPM	182,209	
Equivalent NaCl Concentr	ation	in Mg/L	182,868	in PPM	156,031	
caling Tendencies						
Calcium Carbonate Index	Bench / 600	000 1 000 004	Presta / At-	1,000,000 Probable	507,520	
seew soo,ood Calcium Sulfate (Gyp) Ind			/ ~ 0430 00 / ADQV8	•	1,000,000	
		00- 10,000.00	Possible / Above :	10.000,000 Probebl		
This Calculation is only an appi	oximation and	i la only vaild l	ofore treatment of	of a well or equera	weeks after	

troatment.

Remarks RW=.048@70F

Report # 3188

Sec 22, T25, S, R28E

Bone Spring

:

North Permian Basin Region P.O. Box 740 Sundown, TX 79372-0740 (806) 229-8121 Leb Team Leader - Shells Hernandez (432) 495-7240

Water Analysis Report by Baker Petrolite

Company:		Sales RDT:	33514.1
Region:	PERMIAN BASIN	Account Manager:	TONY HERNANDEZ (575) 910-7135
Area:	ARTESIA, NM	Sample #:	534665
Lease/Platform:	PINOCHLE 'BPN' STATE COM	Analysis ID #:	106795
Entity (or well #):	2 H	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summa	ary	Analysis of Sample 534665 @ 75 F							
Sampling Date:	03/10/11	Anions	mg/l	Прет	Cations	mg/l	Npem		
Analysis Date:	03/18/11	Chioride:	109618.0	3091.92	Sodium:	70275.7	3056,82		
Analyst: S/	ANDRA GOMEZ	Bicarbonate;	2135.0	34.99	Negnesium:	195.0	18.04		
	184911.1	Carbonate:	Ċ.0	0.	Calcium:	844.0	42.12		
TDS (mg/l or g/m3):		Sulfate:	747.0	15.55	Strontium:	220.0	5.02		
Density (g/cm3, tonne/m3 Anion/Cation Ratio:	n3): 1.113	Phosphale:			Barium:	0.8	0.01		
	•	Borate:			Iron:	6.5	0.23		
		Silicale:			Polassium:	889.0	22.22		
					Aluminum:				
Carbon Dioxide:	0 50 PPM	Hydrogen Sullide:		0 PPM	Chromlum:				
Oxygen:		all at time of complian		_	Copper:				
Comments:		pri at une of sampling	:		Lead:				
		pH at time of analysis:			Manganese:	0.100	0.		
		pH used in Calculatio	m :	7	Nickel:				
Carbon Dioxide: Oxygen: Comments:	0 50 PPM	pH at time of sampling pH at time of analysis:		7	Chromlum: Copper: Lead: Manganese:	0.100			

Cond	tions	Values Calculated at the Given Conditions - Amounts of Scale in Ib/1000 bbi										
Lemn	Gauge Calcite Gypsum Press. CsCO3 CsSO42H20		Anhydrite C CaSO4			Celestite SrSO4		Barite BaSO 4				
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	000	-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 smount 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 noturally the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

Attachment 4

Injection Formation Water Analyses

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Source: Go-Tech (http://gotech.nmt.edu/gotech/Water/producedwater.aspx)

Attachment 5

Water Well Map



Attachment 6

Induced Seismicity Assessment Letter



August 7, 2018

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 Breckenridge State SWD #1

Dear Mr. Goetze,

This letter provides information regarding the seismic potential associated with injection operations associated with Solaris Water Midstream, LLC's (Solaris), proposed Breckenridge State 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 2,595' FSL & 1,545' FWL of Section 32, in T24-S and R35-E of Lea County, New Mexico. Historically, the Lea County area has experienced very limited recorded seismic activity (per the U.S. Geological Survey [USGS] earthquake catalog database). The closest recorded seismic event was a M2.9 that occurred on December 4, 1984, and was located approximately 11.46 miles northwest 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 2.10 miles to the northwest (See Exhibit 1).

Solaris 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 35.45 miles west 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 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

1 am

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

Enclosures References Exhibits

References

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. <u>https://certmapper.cr.usgs.gov/data/noga95/prov44/text/prov44.pdf</u> (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." <u>http://www.beg.utexas.edu/resprog/permianbasin/PBGSP_members/writ_synth/Simpson.pdf</u> (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. <u>https://earthquake.usgs.gov/earthquakes/search/</u> (accessed June 14, 2018).

Exhibits

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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)

Attachment 7

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 August 10, 2018 and ending with the issue dated August 10, 2018.

Publisher

Sworn and subscribed to before me this 10th day of August 2018.

Business Manager

January 29, 2019 (Seal) My commission expires **OFFICIAL SEAL** GUSSIE BLACK Notary Public State of New Mexic 1-29-19 1.00 My Commission Expires.

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

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

LEGAL NOTICE August 10, 2018

APPLICATION FOR AUTHORIZATION TO INJECT

NOTICE IS HEREBY GIVEN: That Solaris Water Midstream, LLC, 9811 Katy Freeway, Suite 900, Houston, TX 77024, is requesting that the New Mexico Oil Conservation Division administratively approve the APPLICATION FOR AUTHORIZATION TO INJECT as follows:

PURPOSE: The intended purpose of the injection well is to dispose of salt water produced from permitted oil and gas wells.

WELL NAME AND LOCATION:

Breckenridge State SWD #1 NW ¼ NE ¼, Section 32, Township 24S, Range 35E 2,595' FSL & 1,545' FWL Lea County, NM

NAME AND DEPTH OF DISPOSAL ZONE
 NAME AND DEPTH OF DISPOSAL ZONE:
 Devonian-Silurian (15,770' - 17,150')

 EXPECTED MAXIMUM INJECTION RATE:
 30,000 Bbls/day

 EXPECTED MAXIMUM INJECTION PRESSURE:
 3,154 psi (surface)

Objections or requests for hearing must be filed with the New Mexico Oil Conservation Division within fifteen (15) days. Any objection or request for hearing should be mailed to the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

Additional Information may be obtained by contacting Bonnie Atwater (Solaris – Regulatory Technician) at 432-203-9020. #33100

Breckenridge State SWD #1 Notice of Application Recipients									
Entity	Address	City	State	Zip Code					
Landowner									
New Mexico State Land Office	Santa Fe	NM	87501						
OCD District									
NMOCD District 1	Hobbs	NM	88240						
Leasehold Operators									
COG Operating, LLC	600 W. Illinois Ave.	Midland	ТХ	79701					
Endurance Resources, LLC	15455 Dallas Parkway, Suite 1050	Addison	ТΧ	75001					
Energen Resources Corporation	2198 Bloomfield Highway	Farmington	NM	87401					
Jetstream Wind, Inc.	19 Plaza La Prensa	Santa Fe	NM	87507					
Rubert Madera	130 Madera Rd	Jal	NM	88252					

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

