Additional Information

Date: 06/23/2020

Rose-Coss, Dylan H, EMNRD

From:	Sarah Chapman <schapman@spurepllc.com></schapman@spurepllc.com>
Sent:	Tuesday, June 23, 2020 1:23 PM
То:	Rose-Coss, Dylan H, EMNRD
Cc:	Michael Sliva
Subject:	[EXT] Morris Arco 26 #2 SWD Additional Information
Attachments:	Morris Arco 26 #2_Affidavit.pdf; Morris Arco 26 #2_C-141.pdf; Morris Arco 26 #2_C-141Payment.pdf; Morris Arco 26 #2_ConfiningZones.pdf; Morris Arco 26 #2_CrossSection.pdf; Morris Arco 26 #2 _RiskAssessment.pdf; Morris Arco 26 #2_SEPUpdatedWBD.pdf

Good afternoon Dylan, We have completed all the information requested by you from our March 2020 meeting.

Attached you should find everything you need. If you have any additional questions or concerns, please do not hesitate to reach out.

Thank you for your help.

Sarah Chapman Regulatory Director **SPUR ENERGY PARTNERS LLC** 920 Memorial City Way, Suite 1000 | Houston, TX 77024 Cell: (281) 642-5503 Direct: (832) 930-8613 Office: (832) 930-8502 schapman@spurepllc.com



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Carlsbad Current Argus.

Affidavit of Publication Ad # 0004111973 This is not an invoice

SPUR ENERGY PARTNERS LLC 920 MEMORIAL CITY WAY, SUITE 1000

HOUSTON, TX 77024

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

03/14/2020

Legal Clerk

Subscribed and sworn before me this March 14, 2020:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

Ad # 0004111973 PO #: NOA:WATER DISPOSAL # of Affidavits1

This is not an invoice



NOTICE OF APPLICATION FOR WATER DISPOSAL: Spur Energy Partners LLC is filing a C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation District seeking administrative approval to amend the Morris Arco 26 No. 2 salt water disposal well; located 990' FNL and 1650' FEL, Section 26, Section 1650' FEL, Section 25, Township 195, Range 25E, Eddy County, New Mexico; approximately 14.4 miles south of Artesia, New south of Artesia, New Mexico. Produced water will be privately disposed into the Cisco and Canyon formations in the SWD; Canyon Pool (96184) at a depth from 7796 feet to 8190 feet at a maximum surface pres-sure of 1556psi with a rate limited by such pressure. Any questions concerning this application should be this application should be directed to Sarah Chapman, Regulatory Director, Spur Energy Partners LLC, 920 Memorial City Way, Suite 1000, Houston, TX 77024. In-terested parties must file objections or requests for hearing with the Oil Conser-vation Division, 1220 S. St. Francis Dr., Santa Fe, NM 87505 within 15 days. #4111973, Current Argus, March 14, 2020 March 14, 2020



Morris Arco 26 #002 SWD

Current Completion

Γ

Planned Completion

Last Edited	6/23/2020
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By: Michael L. Sliva

API #: 30-015-29258 Field: Co, St: Eddy, NM Spud Date: 11/19/1996 KB - MGL: 12

Wellbore Data			Completion Data
16" Conductor @ 90'			
12-1/4" - OH			
9-5/8" 36# J-55 LTC @ 1,100'			Cmt W/700 sx to srf
8-3/4" - OH			
TOC @ 5,631' Per Temp Log			
Cmt W/1,400sx			
			TOC @ 6550' Per Temp log
			Cmt W/150sx
			Mill Window 7,759' - 7,768'
Whipstock @ 7,768' Oriented 158.8°			
CIBP @ 7,780'			
7" 23/26# N-80/K-55 LTC			
6.276" - ID @ 8,025'			Packer @ 10,224'
6.151" - Drift			10,224
0.101 0.111			6-1/8" - OH
	TD - 8,050'		
	,		
		I	
		e s	5-1/2" 17# N-80 DTS4
			@ 10,250'
			4 - 3/4" - OH
			Open hole 10250'-10559'



Morris Arco 26 #002 SWD

Current Completion

Planned Completion

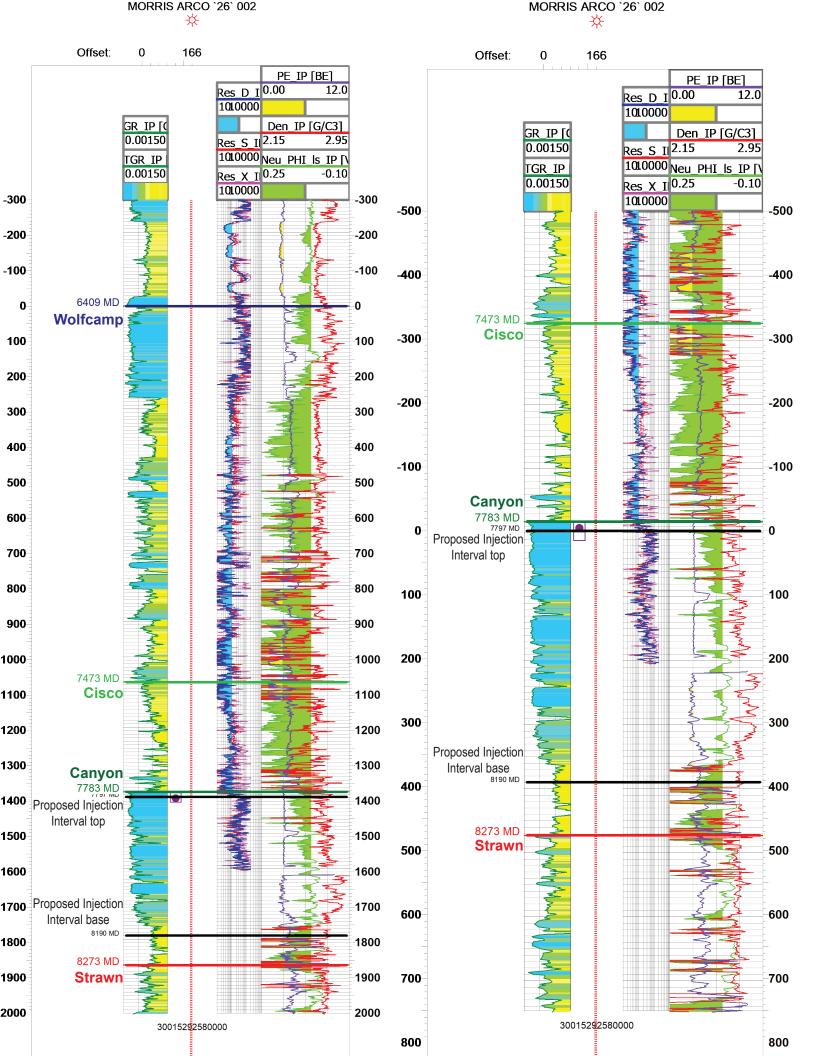
	Last Edited 6/23/2020	
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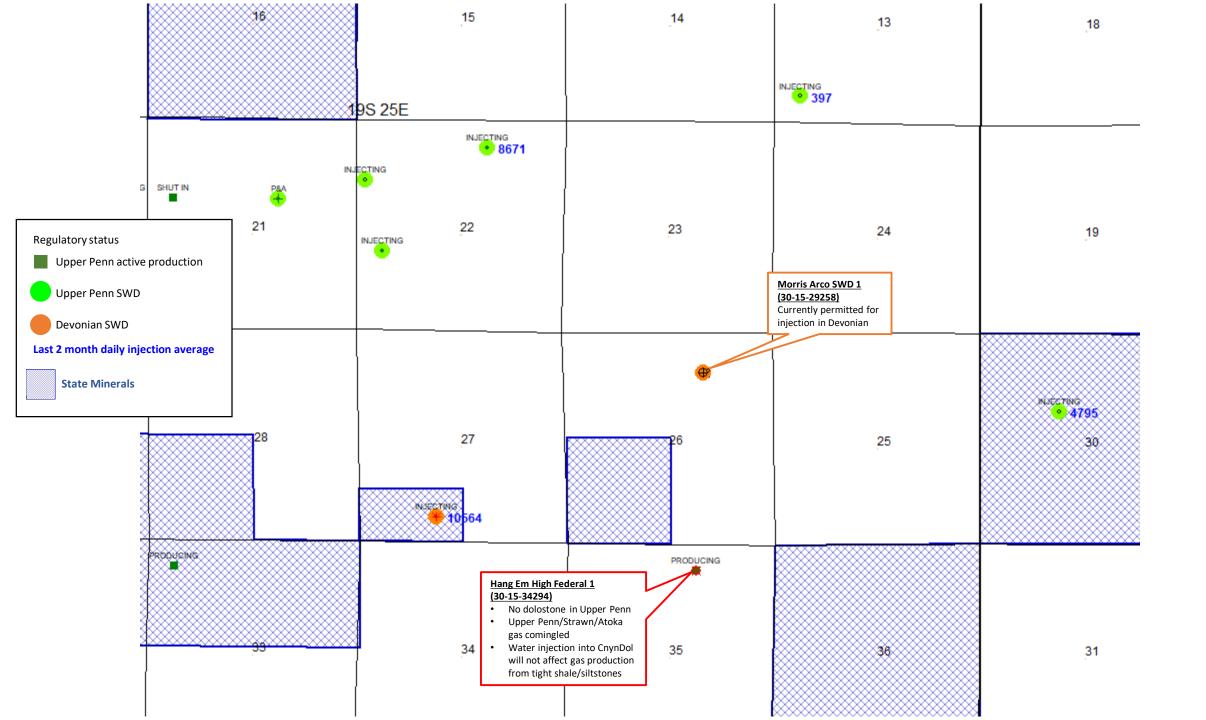
By: Michael L. Sliva

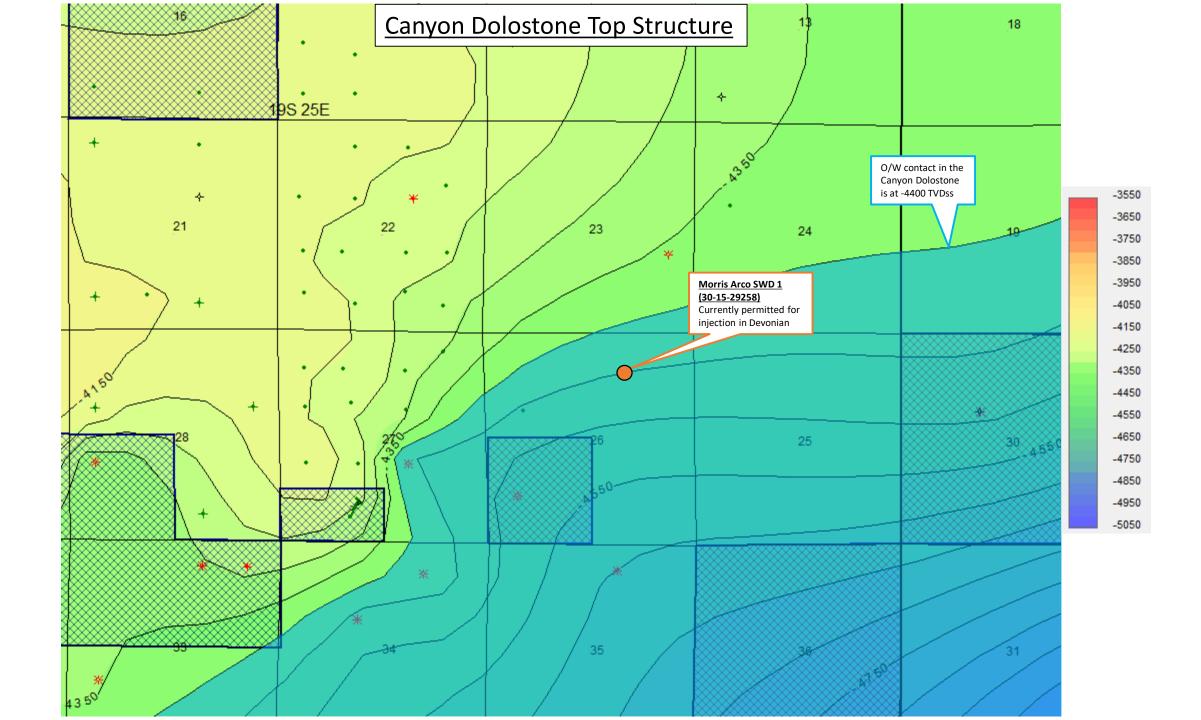
30-015-29258 API #: Field: Co, St: Eddy, NM Spud Date: 11/19/1996 KB - MGL: 12

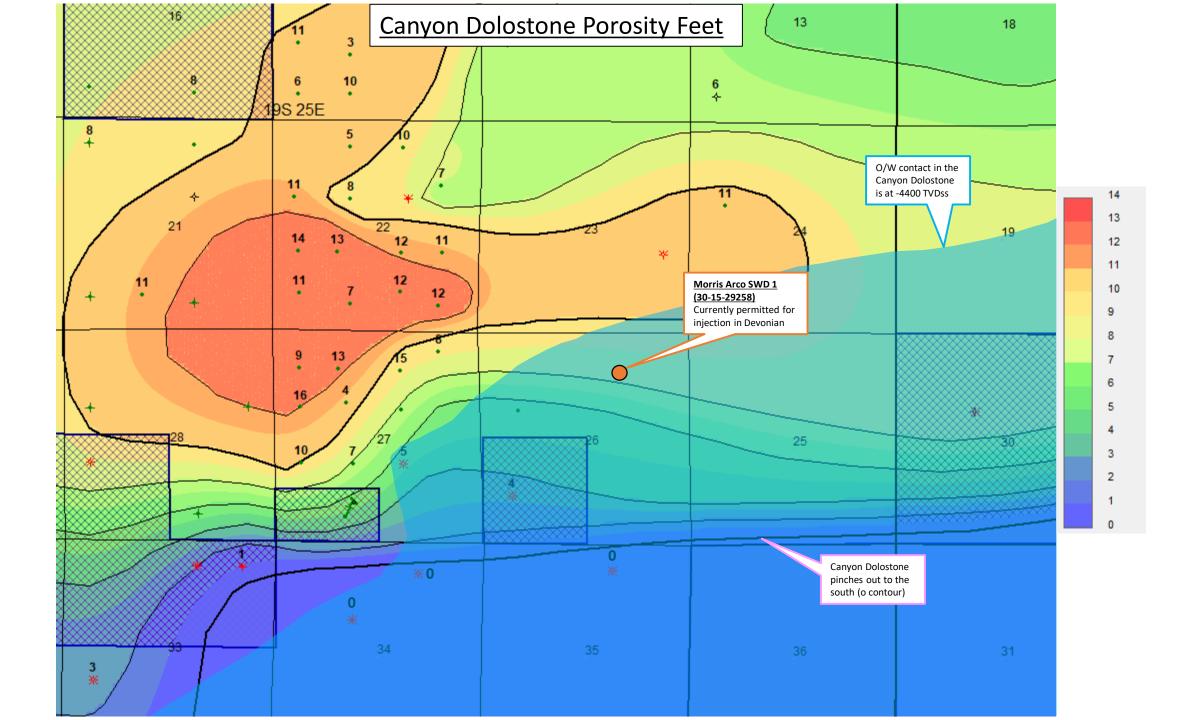
Wellbore Data		Completion Data
16" Conductor @ 90'		
<u>12-1/4" - OH</u>		<u> </u>
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8-3/4" - OH		
TOC @ 5,631' Per Temp Log		
Cmt W/1,400sx		TOC @ 6550' Per Temp log
		Cmt W/150sx
		Mill Window 7,759' - 7,768'
Whipstock @ 7,768' Oriented 158.8°		· · · · · · · · · · · · · · · · · · ·
		Packer @ 7,768'
CIBP @ 7,780'		Cisco/Canyon Perfs
7" 23/26# N-80/K-55 LTC		7,796'-8,190'
6.276" - ID @ 8,025'		↓ ≽
6.151" - Drift		CIBP @ 8,290' w/ 30' of Class H Cmt
	TD - 8,050'	6-1/8" - OH
		CIBP @ 10,225' w/ 100' of Class H Cmt
		5-1/2" 17# N-80 DTS4
		@ 10,250'
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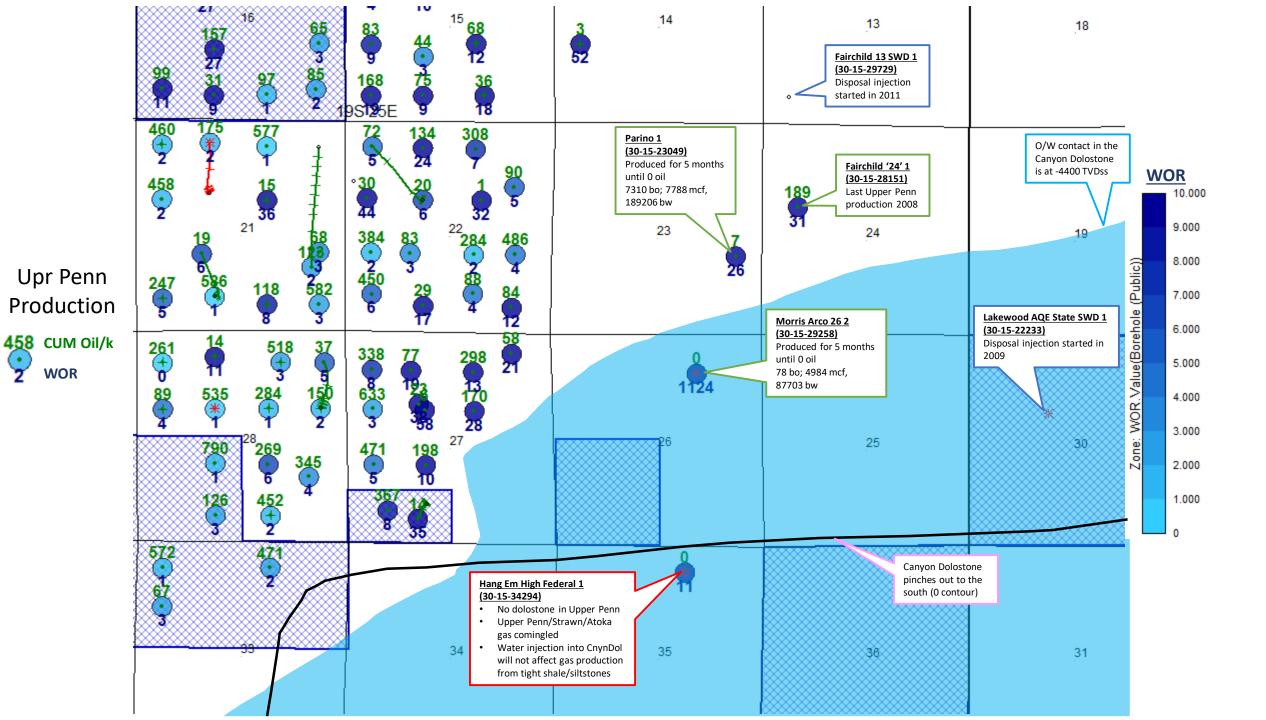
4 - 3/4" - OH Open hole 10250'-10559'

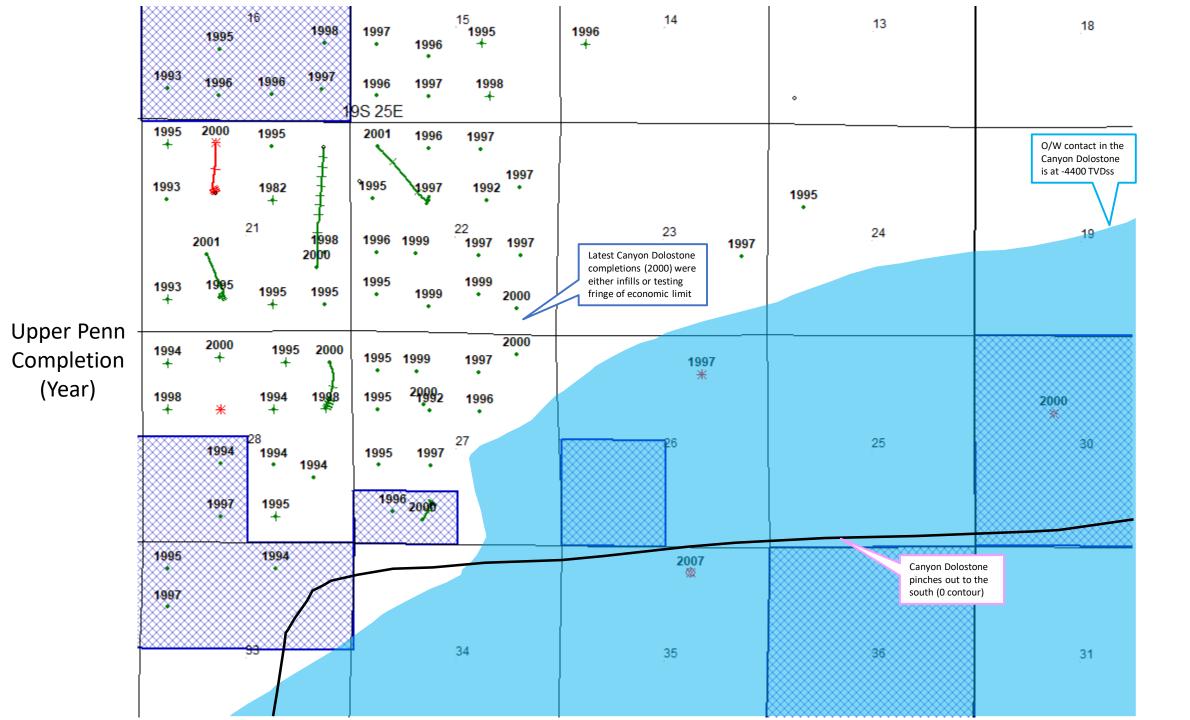


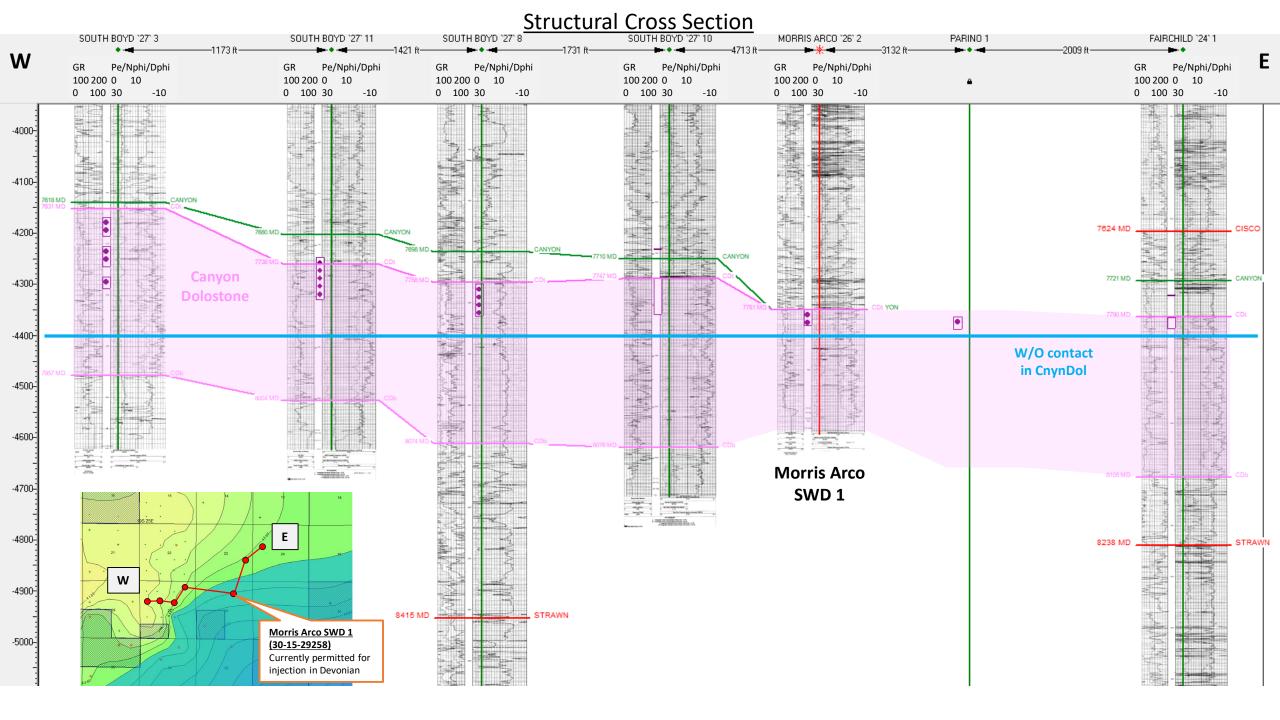




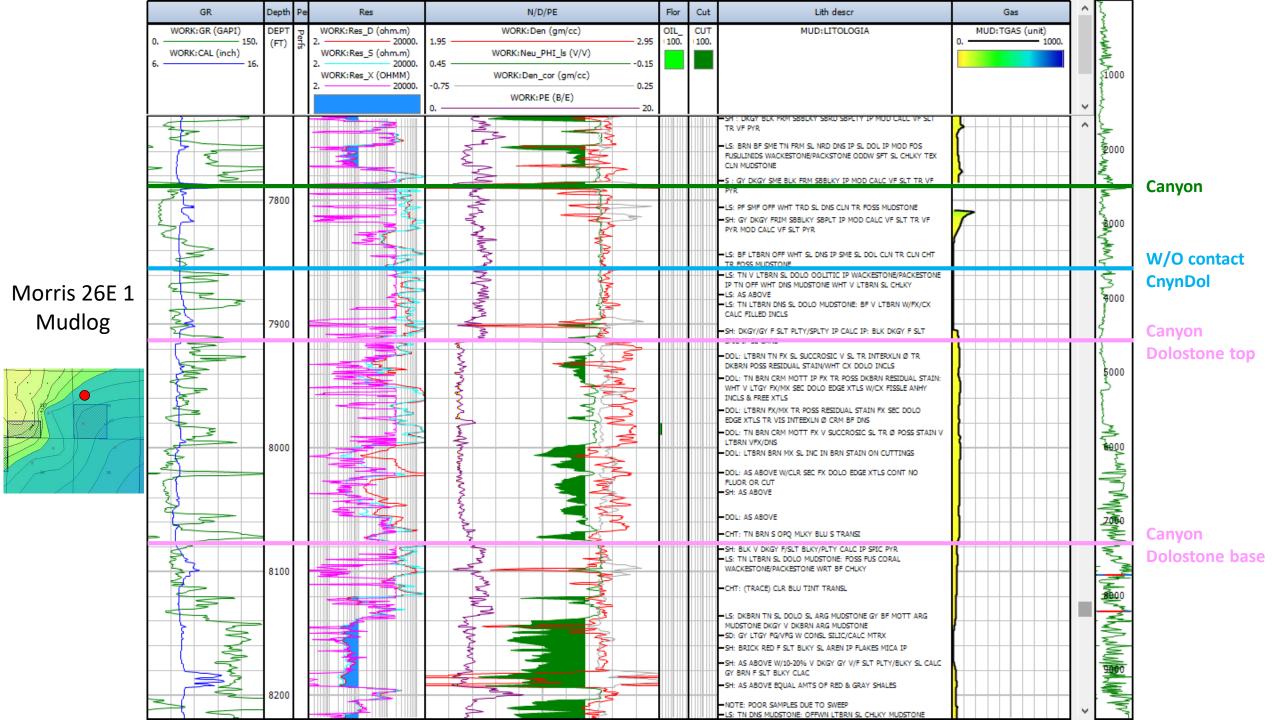


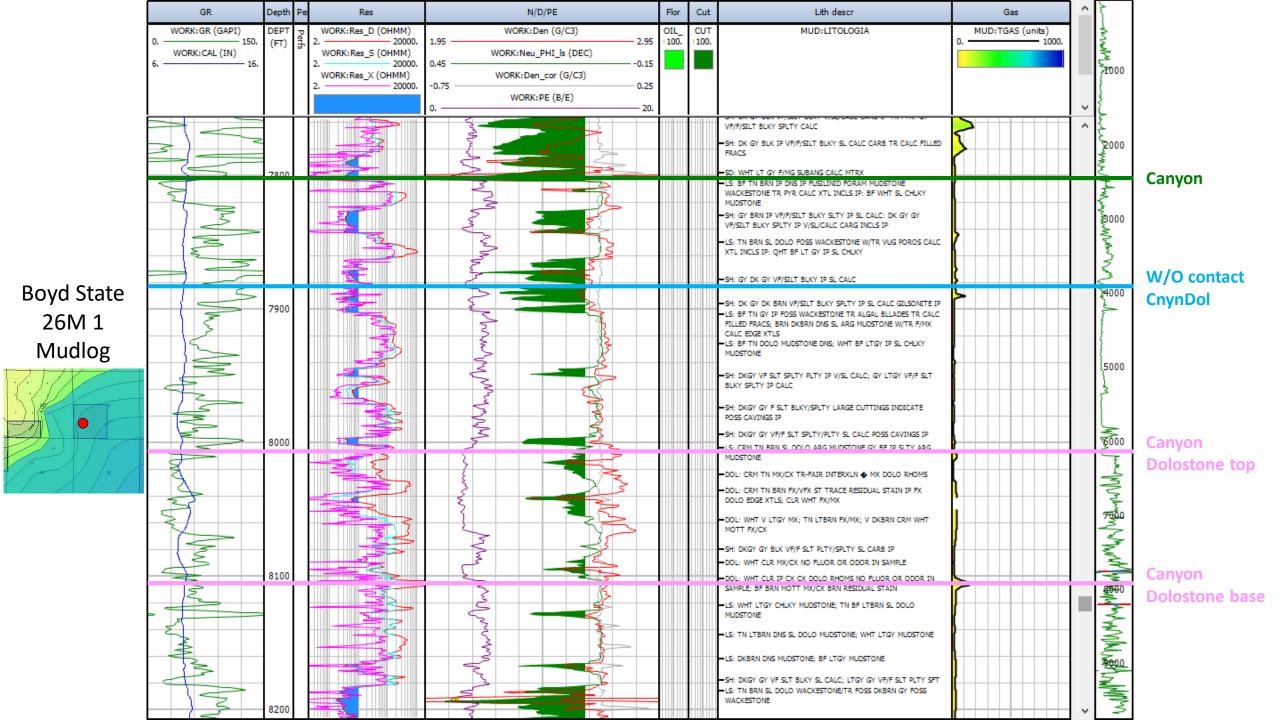


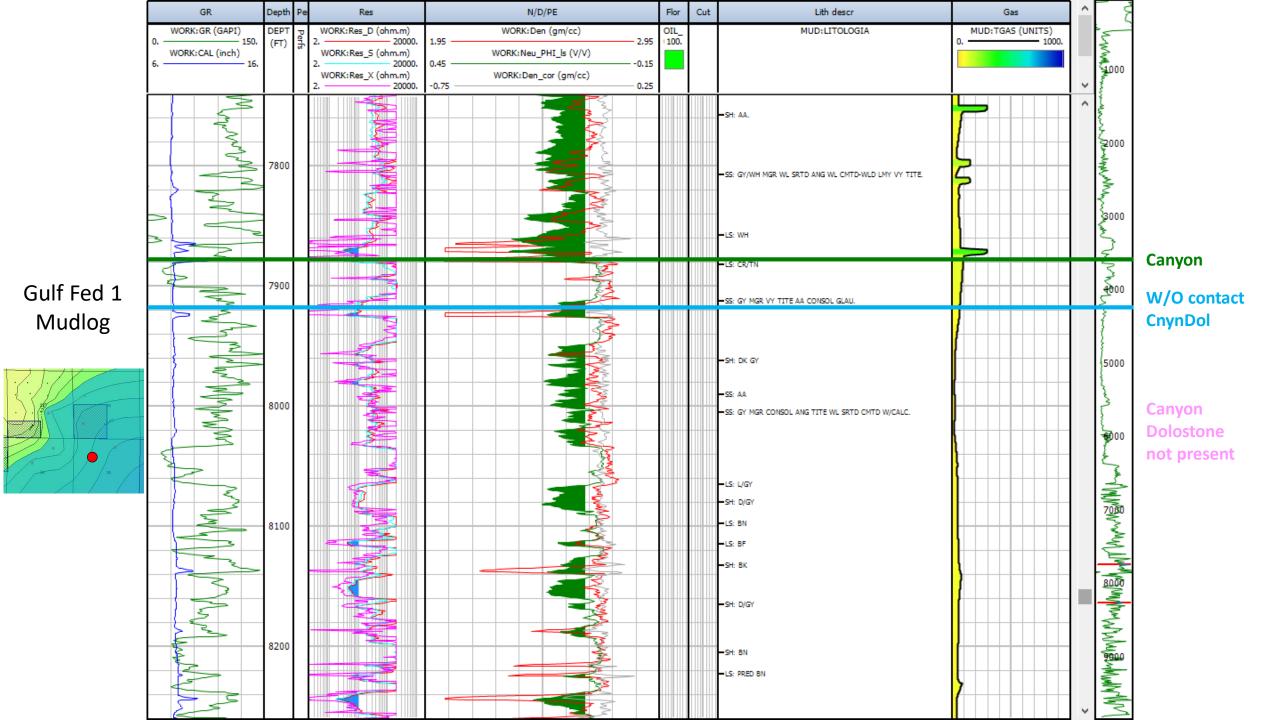


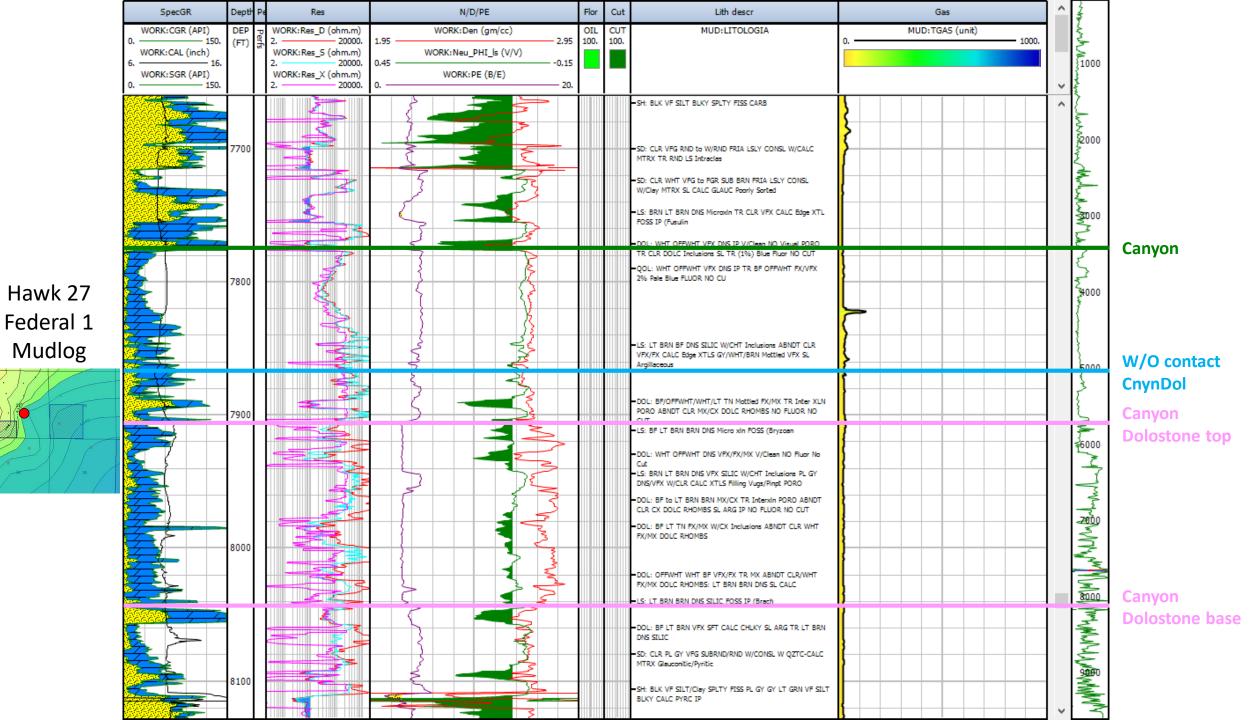


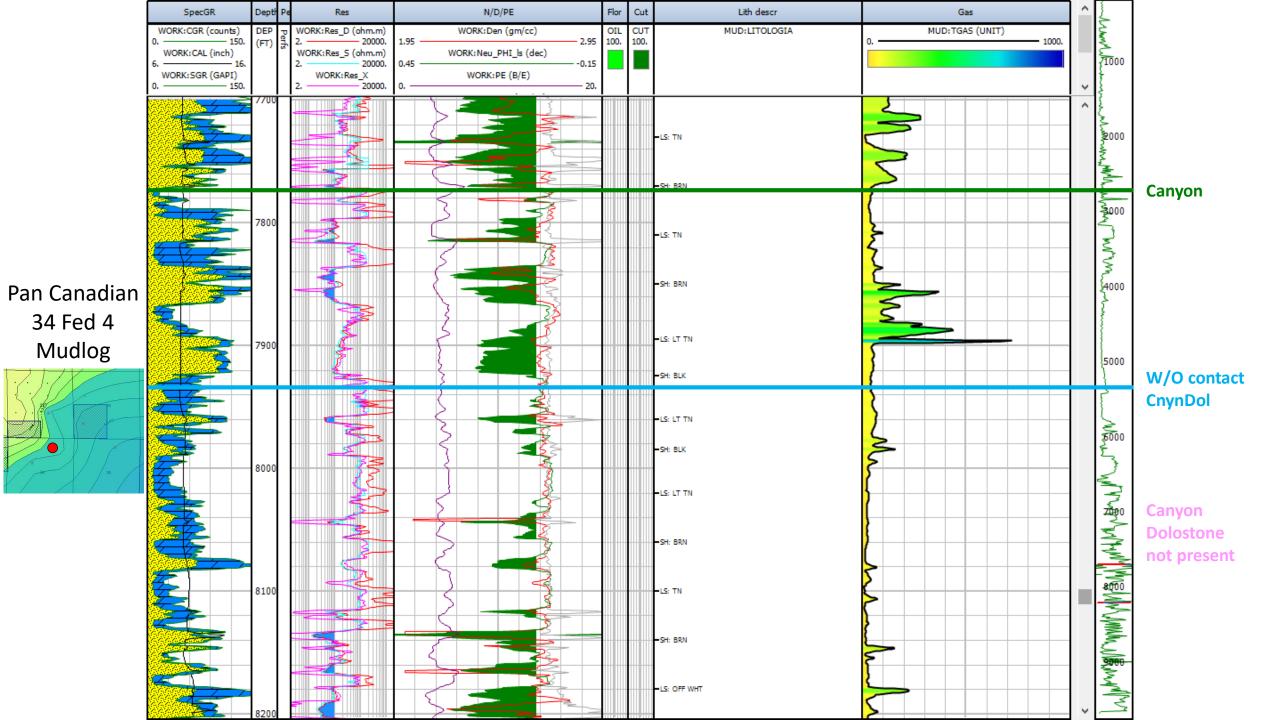
	MORRIS ARCO "26" 2		MORRIS		BOYD 9	STATE "26M" 1		HANG EM HIG	GH FEDERAL 1	-1860 ft	GULF FEDERAL 1	PAN CANADIA 	N 34 FEDERAL 4	
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-5000-	<u>Morris Arco SWD 1</u> (30-15-29258) Currently permitted for injection in Devonian	8461 I			ST8505 MD			VN	When we are		568 MD	STRAWN		
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April 13, 2020

Spur Energy Partners LLC examined all available geologic and engineering data and have found no evidence for increased risk of seismicity with the proposed disposal well. Utilizing proprietary 3D seismic data covering the area of interest, we have not interpreted any faults and/or linear features near the subject well. The proposed injection interval within the Canyon formation is greater than 7,000 feet shallower than basement in the area and was previously produced for decades removing 10's of millions or barrels of fluid.

C.J. Lipinski V.P. Geology

Rose-Coss, Dylan H, EMNRD

From:	Sarah Chapman <schapman@spurepllc.com></schapman@spurepllc.com>
Sent:	Monday, April 13, 2020 8:04 AM
То:	Rose-Coss, Dylan H, EMNRD
Subject:	[EXT] RE: Seismic Question - Morris Arco 26 #2 SWD

Great thank you.

We have a couple of more maps and things to add to the application but before I sent everything over I wanted to check on that.

Would you like me to mail in everything or would a PDF attachment in an e-mail suffice?

Thanks again, Sarah

From: Rose-Coss, Dylan H, EMNRD <DylanH.Rose-Coss@state.nm.us>
Sent: Thursday, April 9, 2020 3:56 PM
To: Sarah Chapman <schapman@spurepllc.com>
Subject: RE: Seismic Question - Morris Arco 26 #2 SWD

[EXTERNAL] Hi Sarah,

Yes, the provided statement will suffice. We're this application to be protested, or require a hearing, Spur would probably benefit from providing more information. However, because this isn't a contested Devonian injector, I can use the provided statement to check the box on my review.

As an example of a more in depth analysis I have attached a fault slip potential analysis that was presented at a hearing. If you would like to study the case a little further feel free to reference the image files for Case no. 20751.

Short of providing a full on model simulation it would be nice to see a structural map of the area and an determination of the wells distance from the nearest fault. Additional information that is helpful in the analysis is a review of the historic earthquake catalogue and a reference to the date of the most recent and most proximal earthquakes.

Anyway, I will add the information to the record and send regards to you, your family and their safety.

Cheers,

Dylan Rose-Coss

Petroleum Specialist Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

O: (505) 476-3477



From: Sarah Chapman <<u>schapman@spurepllc.com</u>> Sent: Thursday, April 9, 2020 7:54 AM To: Rose-Coss, Dylan H, EMNRD <<u>DylanH.Rose-Coss@state.nm.us</u>> Subject: [EXT] Seismic Question - Morris Arco 26 #2 SWD

Good morning Dylan, I am working on compiling the information discussed from our meeting in early March and had a question about the seismic study. My geos provided me with this but do you have something else in mind?

Hope you and your family are staying safe.

Sarah Chapman Regulatory Director **SPUR ENERGY PARTNERS LLC** 920 Memorial City Way, Suite 1000 | Houston, TX 77024 Cell: (281) 642-5503 Direct: (832) 930-8613 Office: (832) 930-8502 schapman@spurepllc.com



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District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources Department

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

Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Percussion Petroleum Operating, LLC	OGRID 371755
Contact Name Jerry Matthews	Contact Telephone 575-748-5234
Contact email Jerry@percussionpetroleum.com	Incident # (assigned by OCD) NAB1900732571
Contact mailing address 156 Rock Daisy Road Lakewood, NM 88254	

Location of Release Source

Latitude 32.63353_____

Longitude -104.4606_____

(NAD 83 in d	lecimal degrees	to 5 decimal	places)

Site Name Morris 26E #1	Site Type State
Date Release Discovered 10/29/2018	API# (if applicable) 30-015-26057

Unit Letter	Section	Township	Range	County
Е	26	19S	25E	Eddy

Surface Owner: State Federal Tribal Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below) Crude Oil Volume Released (bbls) 65 bbls Volume Recovered (bbls) 60 bbls Produced Water Volume Released (bbls) 190 bbls Volume Recovered (bbls) 180 bbls Is the concentration of dissolved chloride in the Yes No produced water >10,000 mg/l? Condensate Volume Released (bbls) Volume Recovered (bbls) Natural Gas Volume Released (Mcf) Volume Recovered (Mcf) Other (describe) Volume/Weight Released (provide units) Volume/Weight Recovered (provide units) Cause of Release: Failure of transfer pump that sends produced water to a SWD.

Page 2

State of New Mexico **Oil Conservation Division**

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major	If YES, for what reason(s) does the responsible party consider this a major release?	
release as defined by	>25 bbls	
19.15.29.7(A) NMAC?		
🛛 Yes 🗌 No		
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?		
Toby Rhodes to Mike Bratcher (Email, 10/29/18 3:30 PM)		
Initial Response		

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 \boxtimes The source of the release has been stopped.

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

 \boxtimes All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name:Michael Martin	Title: Petroleum Engineer	
Signature:	Date:6/12/2019	
email: _Michael@percussionpetroleum.com	Telephone:(713) 429-4249	
OCD Only		
Received by:	Date•	

Date:

State of New Mexico **Oil Conservation Division**

Incident ID	
District RP	
Facility ID	
Application ID	

Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	<u>60-220'</u> (ft bgs)
Did this release impact groundwater or surface water?	🗌 Yes 🛛 No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	🗌 Yes 🛛 No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	🗌 Yes 🛛 No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	🗌 Yes 🛛 No
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	🗌 Yes 🛛 No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	🗌 Yes 🛛 No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	🗌 Yes 🛛 No
Are the lateral extents of the release within 300 feet of a wetland?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying an unstable area such as karst geology?	🗌 Yes 🛛 No
Are the lateral extents of the release within a 100-year floodplain?	🗌 Yes 🛛 No
Did the release impact areas not on an exploration, development, production, or storage site?	🗌 Yes 🛛 No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: Each of the following items must be included in the report.

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells. Field data
- Data table of soil contaminant concentration data
- \boxtimes Depth to water determination
- Determination of water sources and significant watercourses within ¹/₂-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
- Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

Form C-141	State of New Mexico		
101111 C-141		Incident ID	
Page 4	Oil Conservation Division	District RP	
		Facility ID	
		Application ID	
regulations all operators are re public health or the environme failed to adequately investigat addition, OCD acceptance of and/or regulations. Printed Name:Natalie G Signature:	nation given above is true and complete to the best of my k equired to report and/or file certain release notifications and ent. The acceptance of a C-141 report by the OCD does not te and remediate contamination that pose a threat to ground a C-141 report does not relieve the operator of responsibilit Gladden Title:Environmental and Date: whitebuffalo.com Telephone:575-3	d perform corrective actions for rele- ot relieve the operator of liability sho lwater, surface water, human health ty for compliance with any other fed d Regulatory Director	ases which may endanger ould their operations have or the environment. In
OCD Only			
Received by:	Da	ate:	

Form C-141 Page 5 State of New Mexico Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Remediation Plan

Remediation Plan Checklist: Each of the following items must be included in the plan.

Detailed description of proposed remediation technique

Scaled sitemap with GPS coordinates showing delineation points

 \boxtimes Estimated volume of material to be remediated

Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC

Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required)

Deferral Requests Only: Each of the following items must be confirmed as part of any request for deferral of remediation.		
Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction.		
Extents of contamination must be fully delineated.		
Contamination does not cause an imminent risk to human health, the environment, or groundwater.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Printed Name: Natalie Gladden Title: Environmental and Regulatory Director		
Signature: Date:		
email: _natalie.gladden@whitebuffalo.com Telephone:575-390-6397		
OCD Only		
Received by: Date:		
Approved Approved with Attached Conditions of Approval Denied Deferral Approved		
Signature: Date:		

State of New Mexico Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

A scaled site and sampling diagram as described in 19.15.29.11 NMAC	
Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District of must be notified 2 days prior to liner inspection)	ice
Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)	
Description of remediation activities	
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD r and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases whice may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete. Printed Name: _Natalie Gladden	h
Signature: Date:	
email: natalie.gladden@whitebuffalo.com Telephone: 575-390-6397	
OCD Only	
Received by: Date:	
Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.	
Closure Approved by: Date:	
Printed Name:	

State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division

Receipt of Fee Application Payment



PO Number: CESNW-200609-C-1410

Payment Date:	6/9/2020 1:29:01 PM
Payment Amount:	\$150.00
Payment Type:	Credit Card
Application Type:	Application for administrative approval of a release notification and corrective action.
Fee Amount:	\$150.00
Application Status:	Under OCD Review
OGRID:	328947
First Name:	Natalie
Last Name:	Gladden
Email:	natalie@energystaffingllc.com

IMPORTANT: If you are mailing or delivering your application, you must print and include your receipt of payment as the first page on your application. All mailed and delivered applications must be sent to the following address: 1220 S. St. Francis Dr., Santa Fe, NM 87505. For inquiries, reference the PO Number listed above.