

Additional Information

2nd Extension Request 3/30/21



March 30, 2021

New Mexico Oil Conservation Division
1220 S. St. Francis
Santa Fe, New Mexico 87504

Attn: Ms. Adrienne Sandoval, Director

Re: Request for Extension of Solaris Water Midstream, LLC Injection Permit-John Wayne 26 SWD #1
Administrative Order SWD-2094
Located: Unit K, Sec 26, T25S, R28E, NMPM, Eddy County, New Mexico
Order Date: May 7, 2019
Injection Formations: Devonian formation; 14,610 feet to 15,830 feet

Dear Ms. Sandoval:

Solaris Water Midstream, LLC ("Solaris") hereby requests approval from the Division for a one (1) year extension from the deadline stipulated in Order SWD-2094 to commence injection on the John Wayne 26 SWD #1 well.

The well has not yet been drilled for various reasons, including the ongoing Covid-19 situation. The timeline to drill this well will be in the second quarter of 2022.

According to the GIS on the NMOCD website the AOR for the above referenced well has not changed.

I have enclosed a copy of the approved permit for your convenience. If you or your staff have any questions or require additional information, please do not hesitate to contact me at whitney.mckee@solariswater.com or 432-203-9020.

Best regards,

A handwritten signature in blue ink that reads "Whitney McKee".

Whitney McKee
Solaris Water Midstream, LLC
Regulatory Specialist

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



Administrative Order SWD-2094
May 7, 2019

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Solaris Water Midstream, LLC (the “operator”) seeks an administrative order for its John Wayne 26 SWD Well No. 1 (the “proposed well”) with a location of 2379 feet from the South line and 2582 feet from the West line, Unit letter K of Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

The injection authority for this proposed well was approved by the Director under administrative order SWD-1815 dated February 8, 2019. However, field inspection by the Bureau of Land Management identified surface issues requiring the relocation of the proposed well to approximately 37 feet southwest of the original surface location. This order supersedes order SWD-1815 which is rescinded upon approval of this order by the Director.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties have been notified. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC for a radius of one mile from the surface location of the proposed well and an expanded Area of Review for wells penetrating the disposal interval for a radius of one mile have been met. Further, the operator is in compliance with Division Rule 19.15.5.9 NMAC.

Application for Disposal in Devonian and Silurian Formations: Due to the potential for the projected injection volume of the proposed well to impact an area greater than the one-half mile radius applied in Division Form C-108 and Division rule, the applicant has provided the following supplementary information:

1. Notification following Division Rule 19.15.26.8(B) NMAC for a radius of one mile from the surface location of the proposed well; and
2. An expanded Area of Review for wells penetrating the disposal interval for a radius of one mile from the surface location of the proposed well.
3. A statement by a qualified person assessing the potential of induced-seismic events associated with the disposal activities for the predicted service life of the proposed well.

IT IS THEREFORE ORDERED THAT:

The applicant, Solaris Water Midstream, LLC (OGRID 371643), is hereby authorized to utilize its John Wayne 26 SWD Well No. 1 (API 30-015-Pending) with a location of 2379 feet from the South line and 2582 feet from the West line, Unit letter K of Section 26, Township 25 South, Range 28 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through open-hole completion into an interval consisting of the Devonian and Silurian formations from approximately 14610 feet to approximately 15830 feet. Injection will occur through either an internally-coated, 5-^{1/2}-inch or smaller tubing inside the surface and intermediate casings, and a 5-inch or smaller tubing inside the liner (39 pound or less). **Further, a packer shall be set within 100 feet of the disposal interval.** This permit does not allow disposal into:

1. The Woodford Shale and formations above the lower contact of the Woodford Shale;
2. Formations below the Devonian and Silurian formations including the Montoya formation and the Ellenburger formation (lower Ordovician); and
3. Any lost circulation intervals directly on top and obviously connected to these formations.

The operator shall provide to the Division's District a Notice of Intent on Division Form C-103 with the anticipated date and time for the well to be spud. This initial Notice shall be filed with the District at least 72 hours prior to commencing drilling.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formation is open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District I office and the operator shall be required to receive written permission prior to commencing disposal.

If cement does not circulate on any casing string, the operator shall run a CBL or other log to determine top of cement and shall notify the Division's District II office with the top of cement on the emergency phone number prior to continuing with any further cement activity with the proposed well. If cement did not tie back in to next higher casing shoe, the operator shall perform remedial cement job to bring cement, at a minimum, 200 feet above the next higher casing shoe. Further, the operator is expected to run a CBL from the base of the 7-5/8-inch liner to 500 feet above the top of the liner to ensure good cement across the liner, and good cement across liner and intermediate casing

Prior to commencing disposal, the operator shall obtain a bottom-hole pressure measurement representative of the open-hole completion. This information shall be provided with the written notice of the date of commencement of disposal.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as described in the application and, if necessary, as modified by the District Supervisor.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District II office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11(A) NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

If the disposal well fails a MIT or if there is evidence that the mechanical integrity of said well is impacting correlative rights, the public health, any underground sources of fresh water, or the environment, the Division Director shall require the well to be shut-in within 24 hours of discovery and the operator shall redirect all disposal waters to another facility. The operator shall take the necessary actions to address the impacts resulting from the mechanical integrity issues in accordance with Division Rule 19.15.26.10 NMAC, and the well shall be tested pursuant to Rule 19.15.26.11 NMAC prior to returning to injection.

The wellhead injection pressure on the well shall be limited to **no more than 2922 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable step-rate test.

The operator shall notify the supervisor of the Division's District II office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District II office. The operator shall submit monthly reports of the disposal operations that includes number of days of operation, injection volume, and injection pressure on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate one (1) year after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



ANDRIENNE SANDOVAL
Director

AS/prg

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office
Administrative Application – pPRG1912745491

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



July 8, 2020

Solaris Water Midstream, LLC (OGRID 371643)
c/o Whitney McKee
E-mail contact: whitney.mckee@solarismidstream.com

RE: Administrative Order SWD-2094; Extension of Deadline to Inject
Well: John Wayne 26 SWD Well No. 1 (API 30-015-Pending)
Located: Unit K, Sec 26, T25S, R28E, NMPM, Eddy County, New Mexico
Order Date: February 8, 2019
Injection formations: Devonian formation; 14,610 feet to 15,830 feet

Dear Ms. McKee:

Reference is made to your March 30, 2020 request on behalf of Solaris Water Midstream, LLC (the "operator") to extend the deadline stipulated in the above titled order to commence injection for the above referenced well for reasons outlined in your correspondence. The current deadline date to commence injection under said order is one year after issuance of the order: May 7, 2020.

It is the Division's understanding from your correspondence that since the date of issuance of this permit, no additional wells that penetrate the approved injection interval were drilled in the one-mile Area of Review (AOR). Additionally, one new affected party has been identified in the AOR and has been notified of the extension request. Therefore, the extension request could be reviewed administratively for approval.

The Division finds that for reasons you have stated, the granting of this request to extend this administrative order is in the interest of conservation, will prevent waste, and will protect the environment. Therefore, the deadline to commence injection for the existing order is hereby extended until May 7, 2021.

All requirements of the above referenced administrative order and agreements in the application remain in full force and effect. Any additional extension of the deadline to commence injection for this administrative order will not be considered unless the operator has already commenced drilling of the referenced well. Otherwise, the injection authority shall expire under the terms of the extended administrative order and the operator shall be required to submit a new application to obtain injection authority for the referenced well.

ADRIENNE SANDOVAL
Director

AS/bl

cc: Bureau of Land Management - Carlsbad Field Office
Oil Conservation Division - Artesia District Office
Order SWD-2094



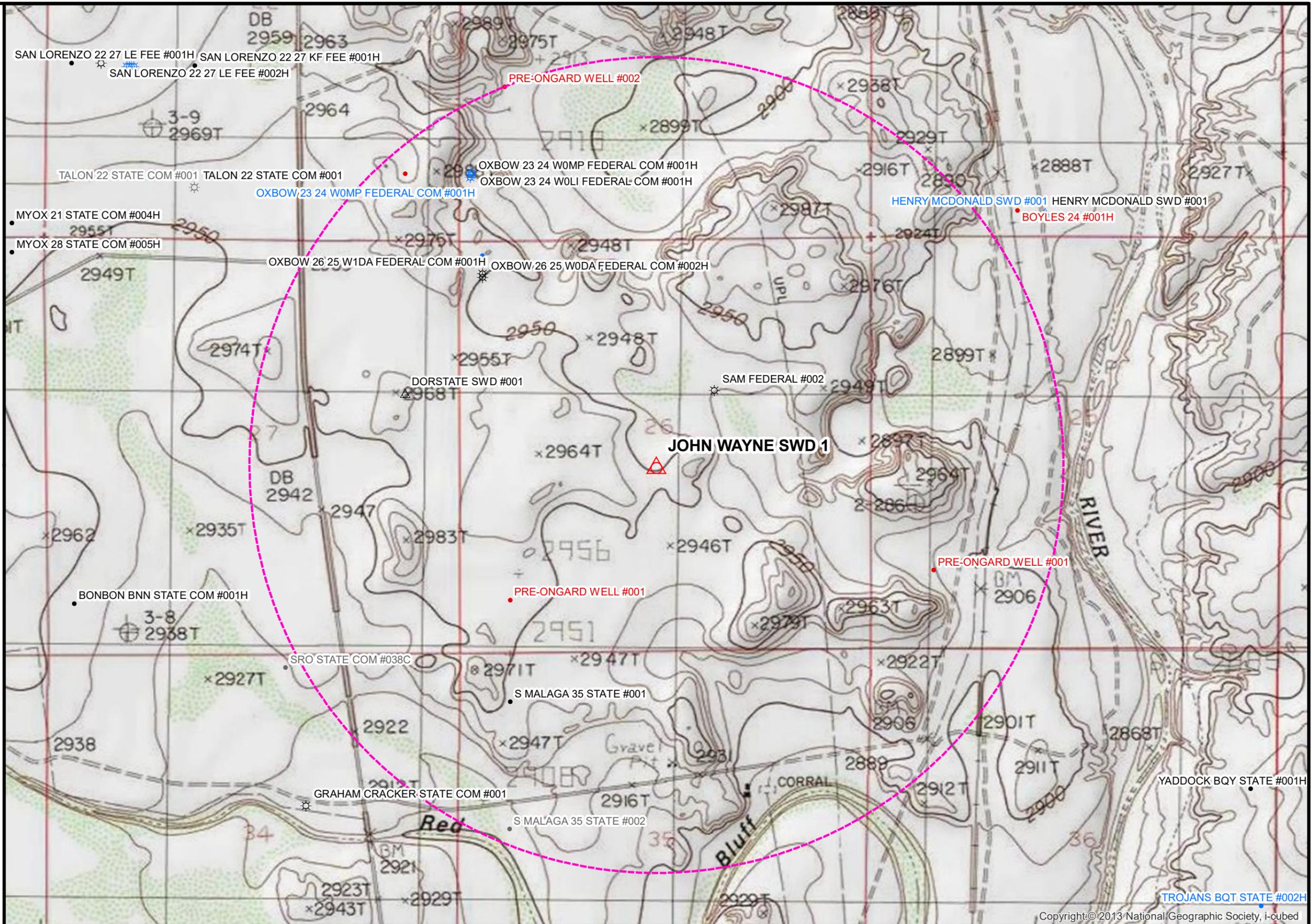
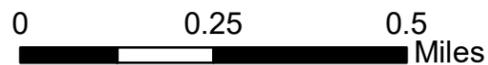
Legend

△ JOHN WAYNE SWD 1

○ 1.0 Mile Radius

NM Wells

- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- ⊙ Gas, Active
- ⊙ Gas, Cancelled
- ⊙ Gas, New
- ⊙ Gas, Plugged
- Injection, Active
- Injection, Cancelled
- Injection, New
- Injection, Plugged
- △ Salt Water Disposal, Active
- △ Salt Water Disposal, Cancelled
- △ Salt Water Disposal, New
- △ Salt Water Disposal, Plugged



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Vicinity Wells Solaris Water Midstream - John Wayne SWD #1 - Eddy County NM

Date: 3/3/2021

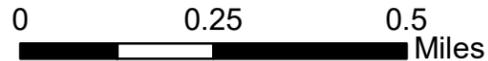
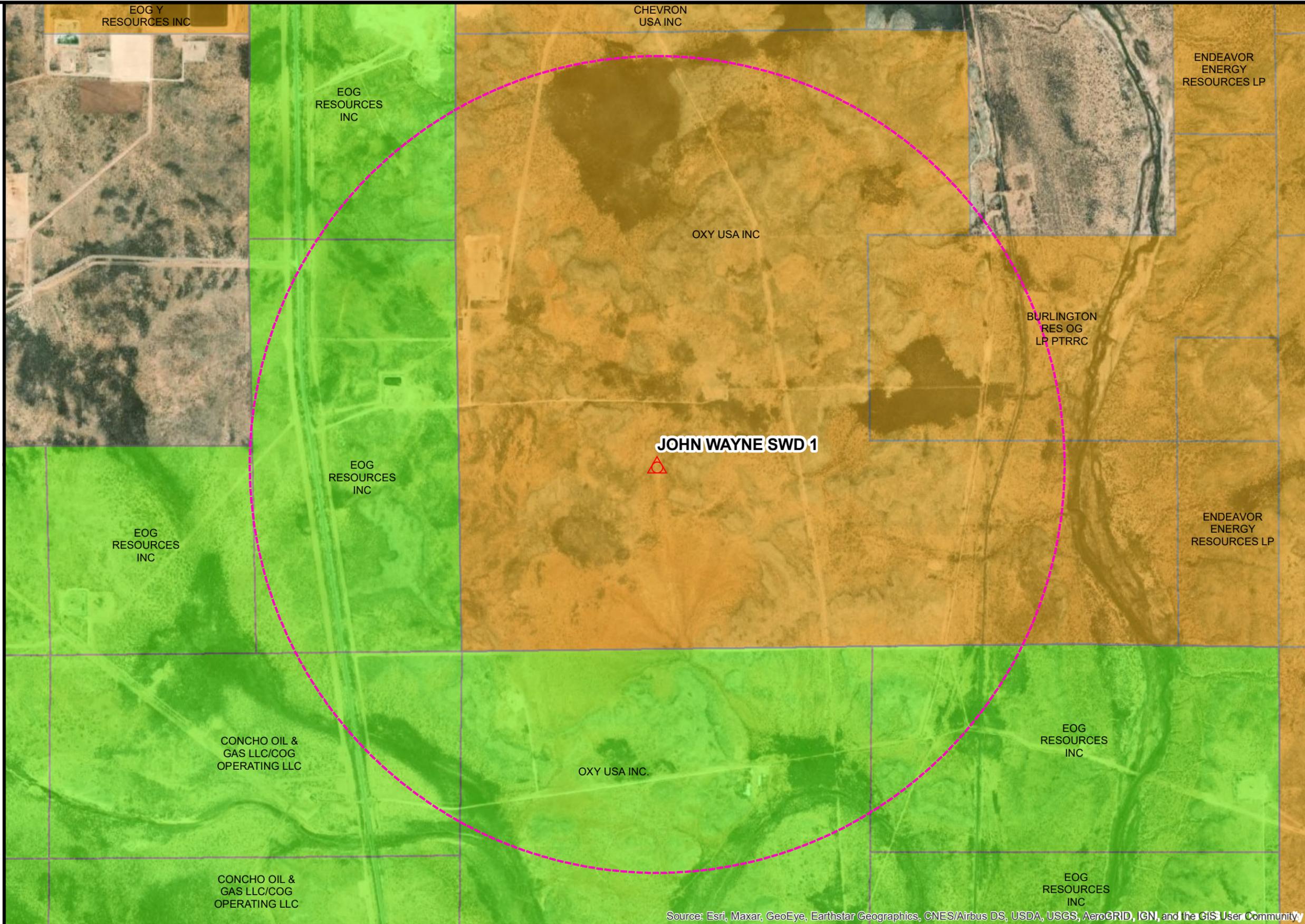
Table 1
Wells Within 1.0 Miles

id	name	type_	status_cod	status	ogrid_name	county	ulstr	latitude	longitude	projection	directiona	status2	sybology	year_spudd	spud_date	measured_v	true_verti	pool_id_li	effective_	plug_date
30-015-28153	S MALAGA 35 STATE #001	Oil	A	Active	COLGATE OPERATING, LLC	Eddy	D-35-25S-28E	32.091686	-104.064194	NAD 83	V	A	OA	1995	10/4/95	6530	6530	[96435] RED BLUFF DELAWARE	10/3/19	12/31/99
30-015-44964	OXBOW 26 25 W1DA FEDERAL COM #001H	Gas	A	Active	MEWBOURNE OIL CO	Eddy	D-26-25S-28E	32.106928	-104.065311	NAD 83	H	A	GA	2018	5/26/18	19925	10038	[98220] PURPLE SAGE, WOLFCAMP (GAS)	5/11/18	12/31/99
30-015-24364	SAM FEDERAL #002	Gas	A	Active	OXY USA INC	Eddy	G-26-25S-28E	32.102745	-104.055611	NAD 83	V	A	GA	1982	12/26/82	13460	13460	[83957] ROCK SPUR, MORROW (GAS)	3/1/08	12/31/99
30-015-44972	OXBOW 26 25 W0DA FEDERAL COM #002H	Gas	A	Active	MEWBOURNE OIL CO	Eddy	D-26-25S-28E	32.106790	-104.065309	NAD 83	H	A	GA	2018	7/8/18	19495	9758	[98220] PURPLE SAGE, WOLFCAMP (GAS)	5/17/18	12/31/99
30-015-23723	PRE-ONGARD WELL #001	Oil	P	Plugged (site released)	PRE-ONGARD WELL OPERATOR	Eddy	M-25-25S-28E	32.096336	-104.046440	NAD 83		P	OP	1900	1/1/00	0	0		1/1/00	1/1/00
30-015-23728	DORSTATE SWD #001	Salt Water Disposal	A	Active	Permian Water Solutions, LLC	Eddy	H-27-25S-28E	32.102684	-104.068565	NAD 83	V	A	SA	2010	6/21/10	8000	8000	[96095] SWD, BONE SPRING	10/16/18	12/31/99
30-015-36891	PINOCHLE BNP STATE COM #001H	Oil	P	Plugged (site released)	EOG Y RESOURCES, INC.	Eddy	22-25S-28E	32.110493	-104.068543	NAD 83		P	OP	2009	1/30/09	9	9	[96053] WC, BONE SPRING	1/12/09	3/30/11
30-015-02518	PRE-ONGARD WELL #002	Oil	P	Plugged (site released)	PRE-ONGARD WELL OPERATOR	Eddy	L-23-25S-28E	32.113571	-104.064369	NAD 83		P	OP	1900	1/1/00	0	0		1/1/00	1/1/00
30-015-28154	S MALAGA 35 STATE #002	Oil	C	Cancelled	POGO PRODUCING CO	Eddy	E-35-25S-28E	32.087158	-104.064242	NAD 83		C	OC	9999	12/31/99	0	0		10/12/94	12/31/99
30-015-02519	PRE-ONGARD WELL #001	Oil	P	Plugged (site released)	PRE-ONGARD WELL OPERATOR	Eddy	M-26-25S-28E	32.095314	-104.064194	NAD 83		P	OP	1900	1/1/00	0	0		1/1/00	1/1/00
30-015-46458	OXBOW 23 24 B2MP FEDERAL COM #001H	Oil	N	New	MEWBOURNE OIL CO	Eddy	D-26-25S-28E	32.107560	-104.065320	NAD 83	H	N	ON	2020	2/21/20	0	0	[96217] WILLOW LAKE, BONE SPRING, SOUTHEAST	12/3/19	12/31/99
30-015-46312	OXBOW 23 24 W1MP FEDERAL COM #001H	Gas	N	New	MEWBOURNE OIL CO	Eddy	M-23-25S-28E	32.110438	-104.065780	NAD 83	H	N	GN	9999	12/31/99	0	0	[98220] PURPLE SAGE, WOLFCAMP (GAS)	10/1/19	12/31/99
30-015-46313	OXBOW 23 24 W0LI FEDERAL COM #001H	Gas	N	New	MEWBOURNE OIL CO	Eddy	M-23-25S-28E	32.110517	-104.065750	NAD 83	H	N	GN	9999	12/31/99	0	0	[98220] PURPLE SAGE, WOLFCAMP (GAS)	10/1/19	12/31/99
30-015-46738	OXBOW 23 24 W0MP FEDERAL COM #001H	Gas	N	New	MEWBOURNE OIL CO	Eddy	M-23-25S-28E	32.110359	-104.065809	NAD 83	H	N	GN	9999	12/31/99	0	0	[98220] PURPLE SAGE, WOLFCAMP (GAS)	2/12/20	12/31/99
30-015-46660	OXBOW 26 25 B2DA FEDERAL COM #001H	Oil	N	New	MEWBOURNE OIL CO	Eddy	D-26-25S-28E	32.107477	-104.065318	NAD 83	H	N	ON	2020	2/1/20	0	0	[52775] ROCK SPUR, BONE SPRING	1/31/20	12/31/99
30-015-46751	OXBOW 23 24 B2MP FEDERAL COM #001Y	Oil	N	New	MEWBOURNE OIL CO	Eddy	D-26-25S-28E	32.107340	-104.065317	NAD 83	H	N	ON	9999	12/31/99	0	0	[96217] WILLOW LAKE, BONE SPRING, SOUTHEAST	2/19/20	12/31/99



Legend

- JOHN WAYNE SWD 1
- 1.0 Mile Radius
- BLM Lease
- SLO Lease



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

State and Federal Leases
Solaris Water Midstream - John Wayne SWD #1 - Eddy County NM

Date: 3/3/2021

Table 2a
BLM Leases Within 1.0 Miles

SerialNumb	AdminAgenc	Acres	Dispositio	CaseTypeCo	CaseType	Commodity	EffectDate	RoyaltyRt	HBP	OR_	Name1	PerInt1	Name2	PerInt2	Name3	PerInt3	Name4	PerInt4	UpdateDate	Shape__Are	Shape__Len
NMNM 013413A	BUREAU OF LAND MGMT	1280	Authorized	311211	O&g lse simo public land	Oil & gas	4/1/1971	Rlty rate - 12 1/2%	HBP	OR	OXY USA INC	100		0		0		0	12/1/2017	7337224.285	13385.147
NMNM 016104	BUREAU OF LAND MGMT	1520	Authorized	311211	O&g lse simo public land	Oil & gas	2/1/1973	Rlty rate - 12 1/2%	HBP	OR	BURLINGTON RES OG LP PTRRC	0	EOG RESOURCES INC	0	MAGNUM HUNTER PRODUCTION INC	0		0	12/1/2017	8683811.609	30578.984

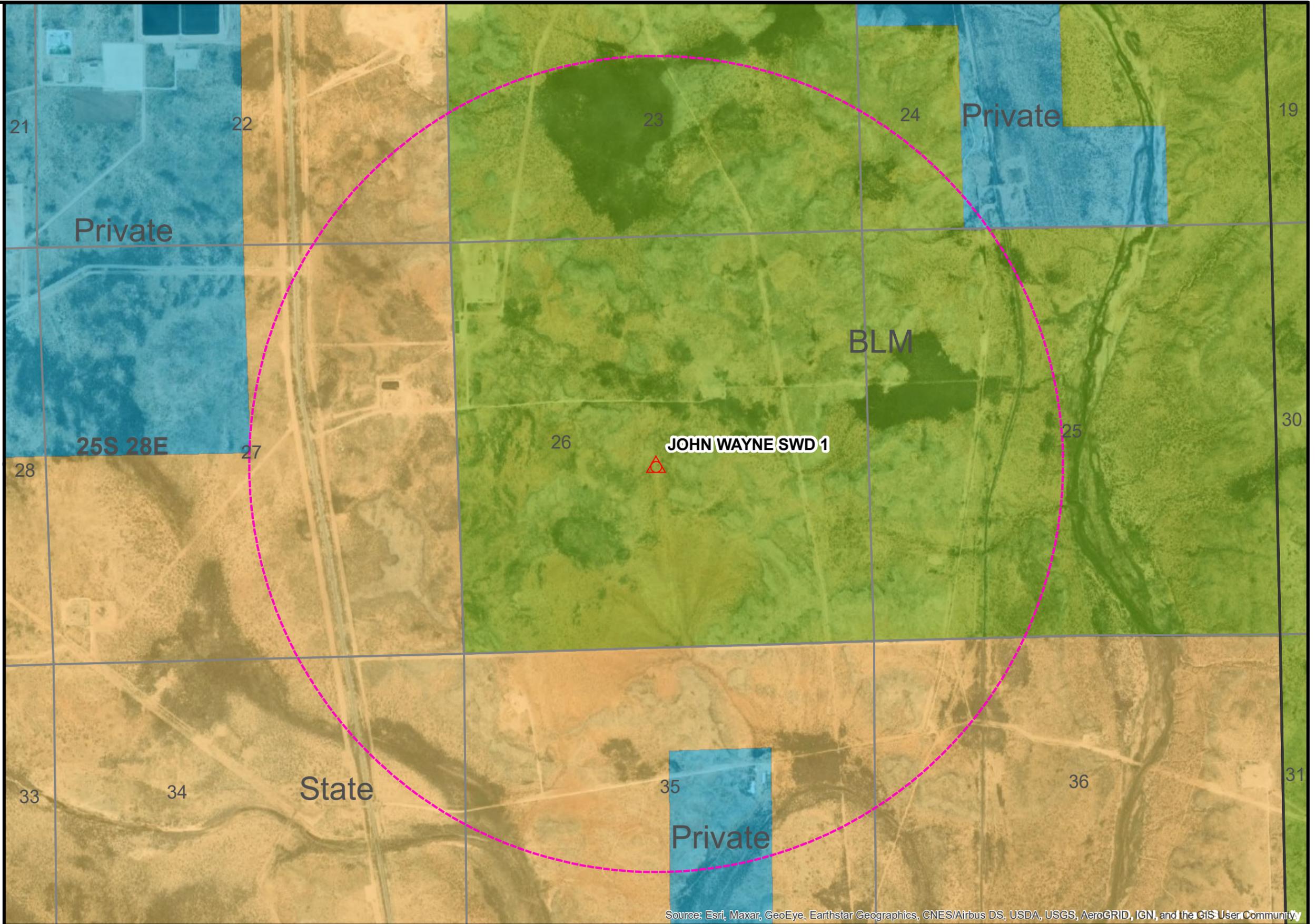
Table 2b
SLO Leases Within 1.0 Miles

UNIQUEKEY	LSE_PREFIX	LSE_NUMBER	LSE_SUFFIX	STATUS	LSE_ACRG	VEREFF_DTE	VERTRM_DTE	OGRID_CDE	OGRID_NAM
V041520002	V0	4152	2	ACTIVE	640	5/1/93	12/31/99	264073	OXY USA INC.
V071010001	V0	7101	1	ACTIVE	320	7/1/04	12/31/99	277313	CONCHO OIL & GAS LLC/COG OPERATING LLC
VA30540001	VA	3054	1	ACTIVE	320	2/1/04	12/31/99	7377	EOG RESOURCES INC
VA30550001	VA	3055	1	ACTIVE	320	2/1/04	12/31/99	7377	EOG RESOURCES INC
VA30560001	VA	3056	1	ACTIVE	160	2/1/04	12/31/99	7377	EOG RESOURCES INC
VB08070001	VB	807	1	ACTIVE	320	12/1/05	12/31/99	7377	EOG RESOURCES INC



Legend

-  JOHN WAYNE SWD 1
-  1.0 Mile Radius
-  PLSSTownship
-  PLSSFirstDivision
- NM Surface Ownership**
-  BLM
-  State
-  Private



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Surface Ownership

Solaris Water Midstream - John Wayne SWD #1 - Eddy County NM

Date: 3/3/2021

Table 3
Owners Within 1.0 Miles

	OWNER NAME
	BUREAU OF LAND MANAGEMENT
	STATE OF NEW MEXICO
	JOY ELIZABETH COOKSEY
	HENRY E. MCDONALD