



February 9, 2021

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

VIA EMAIL

Attn: Mr. Phillip Goetze, UIC Manager

Re: Request to Extend Expiration Date for NMOCD Permit SWD-1874 and the corresponding APD pertaining to Probity SWD, LLC's Mac-Brant East SWD No.1, (API No.30-025-45670) located in Section 23, T24S-R29E, NMPM, Eddy County, New Mexico.

Dear Mr. Goetze,

Probity SWD, LLC maintains its intent to drill and complete the subject salt water disposal well.

Probity contacted me in early mid-January to work on extending the subject permit. I had the SWD expiration date in mind for my work scheduling and failed to notice that the APD was actually set to expire on January 29th. This was a simple oversight on my part, and I would implore OCD to please honor Probity's intent to extend the APD date by one year. As of this letter, I missed the required date by 6 business days.

Beyond that, we all continue to struggle with the effects of the pandemic in our personal lives and business dealings. Undoubtedly, this is the biggest reason for various delays and impact to the industry which necessitate this request.

I have reviewed the subject Area of Review and determined that no impactful changes have taken place however, the new AOR map does reveal an additional well spot. A quick check of the well file indicates that this well did indeed exist even before the C-108 for Probity's SWD was filed. For whatever reason, the well just wasn't displaying in the GIS. I've included both AOR maps for reference. Further, the well is operated by Oxy, USA which was notified during the original application process. Other than this situation, there appear to be no changes to the area of review.

Probity is currently moving forward on its plans and as things continue to recover, intends to complete this and other SWDs as business demands. We therefore request an appropriate extension of one year for the subject permit SWD-1874 as well as the APD.

If you or your staff has any questions, please do not hesitate to call or email me.

Best regards,

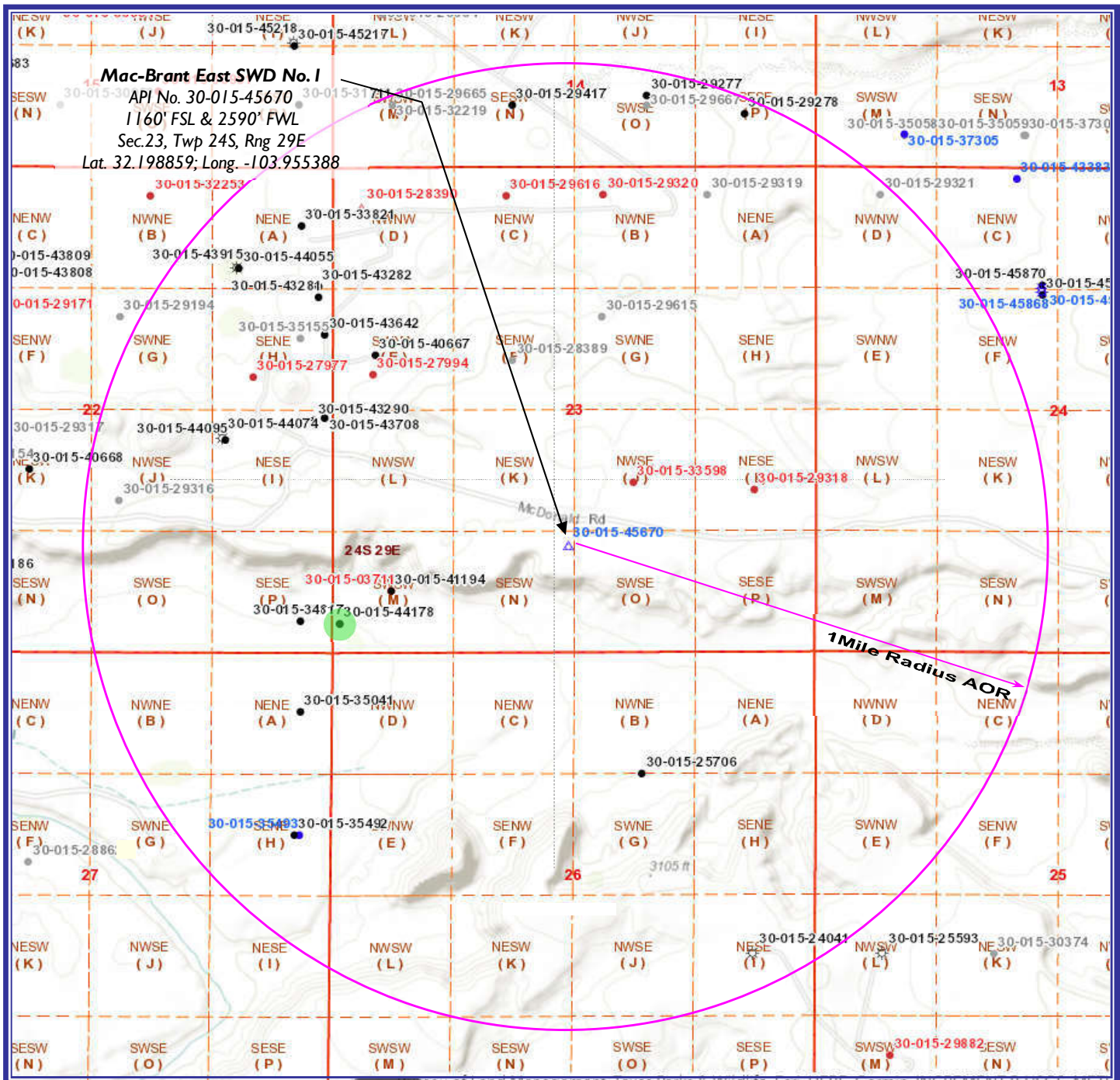
Ben Stone, SOS Consulting, LLC
Agent for Probity SWD, LLC

Attachments: AOR Map, Well info, Original AOR Map; SWD-1874; Cc: Project file

Mac-Brant East SWD Well No.1

One Mile Area of Review Map

February 2021



Request of Extension of Expiration Date for Probity's SWD-1874

A review of the AOR indicates there are no substantial changes in wells or ownership and no material changes are proposed for the well.

● One additional well spot shows – well information on next page.

Additional Well Spot in AOR

This well did not show in previous review in March 2020 for SWD permit extension. When revealed in the current review on February 9, 2021, the well record shows the well was spud in July 2017 and completed August 31, 2017.

This well was apparently existing when Probit's C-108 for its Mac-Brant East SWD was filed and approved. For whatever reason, the well spot was not part of the GIS well data layer and was therefore, inadvertently missed until now.

Oxy, USA was notified as part of the application process, so the information indicates that this well is not new but missed during the initial application process.

OCD Permitting
Home > Searches > Wells > Well Details

30-015-44178 CEDAR CANYON 23 24 FEDERAL COM #034H [317747]

General Well Information

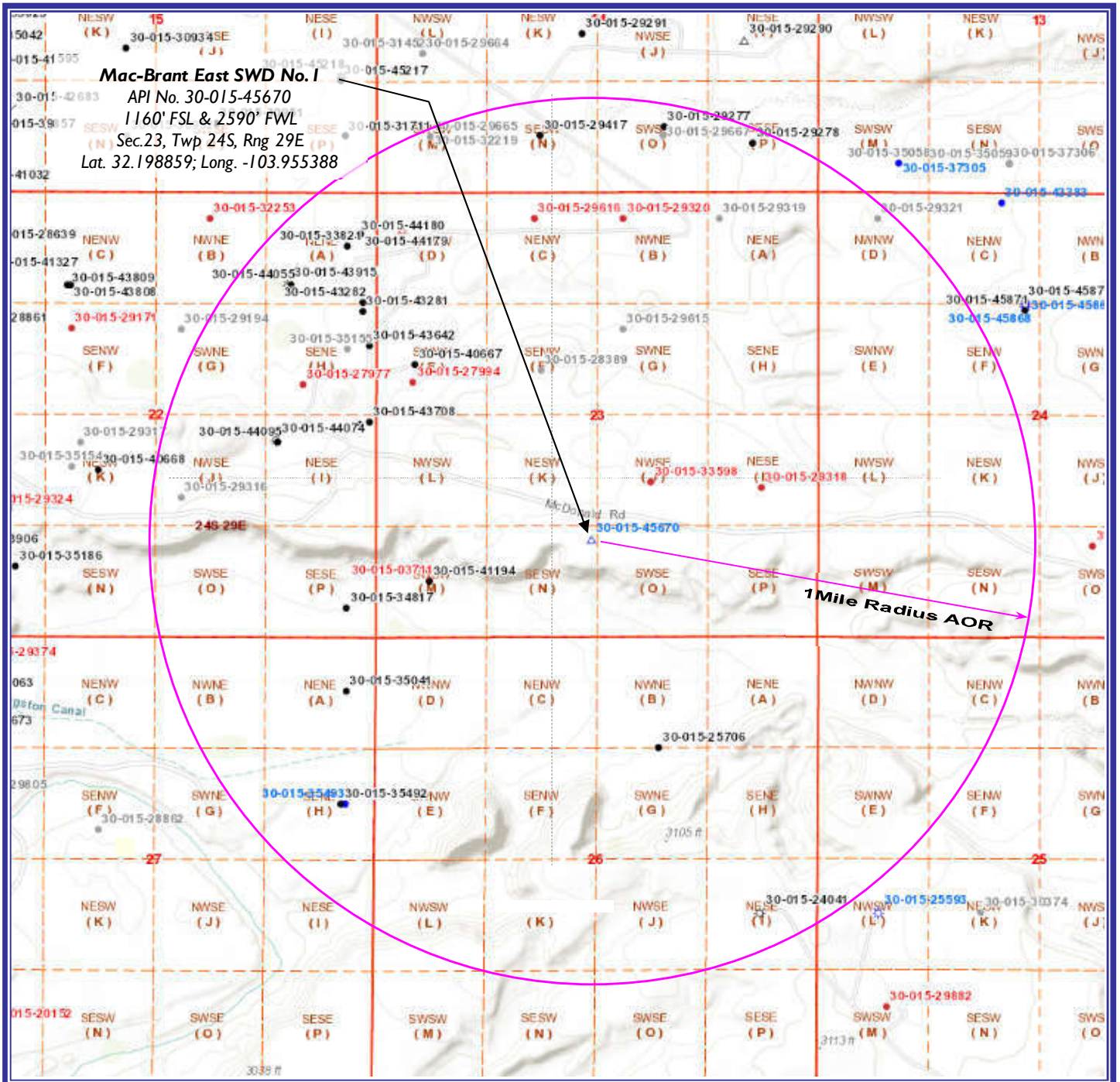
Operator:	[16696] OXY USA INC	Direction:	Horizontal
Status:	Active	Multi-Lateral:	No
Well Type:	Oil	Mineral Owner:	Federal
Work Type:	New	Surface Owner:	Private
Surface Location:	M-23-24S-29E 319 FSL 88 FWL		
Lat/Long:	32.19652,-103.9634785 NAD83		
GL Elevation:	2918		
KB Elevation:		Sing/Mult Compl:	Single
DF Elevation:		Potash Waiver:	False

Event Dates

Initial APD Approval:	05/08/2017	Current APD Expiration:	05/08/2019
Most Recent APD Approval:	05/19/2017		
APD Cancellation:			
APD Extension Approval:			
Spud:	07/05/2017	Gas Capture Plan Received:	10/10/2016
Approved Temporary Abandonment:		TA Expiration:	
Shut In:			
Plug and Abandoned Intent Received:		PNR Expiration:	
Well Plugged:		Last MIT/BHT:	06/17/2019
Site Release:			
Last Inspection:	06/17/2019		

Mac-Brant East SWD Well No.1

One Mile Area of Review Map



Request of Extension of Expiration Date for Probit's SWD-1874

A review of the AOR indicates there are no substantial changes in wells or ownership and no material changes are proposed for the well.

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



March 27, 2020

Probity SWD, LLC (OGRID 296278)
c/o Stuart Doss
E-mail contact: stuart@probityswd.com

RE: Administrative Order SWD-1874; Extension of Deadline to Inject
Well: Mac Brant East SWD Well No. 1 (API 30-015-45670)
Located: Unit N, Sec 23, T24S, R29E, NMPM, Eddy County, New Mexico
Order Date: March 12, 2019
Injection formations: Devonian formation; 15,000 feet to 16,500 feet

Dear Mr. Doss:

Reference is made to your March 11, 2020 request on behalf of Probity SWD, 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: March 12, 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, no new affected parties have been identified in the AOR. 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 March 12, 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-1874

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

Gabriel Wade, Acting Director
Oil Conservation Division



Administrative Order SWD-1874
March 12, 2019

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Probitry SWD, LLC (the “operator”) seeks an administrative order for its Mac Brant East SWD Well No. 1 (the “proposed well”) with a location of 1160 feet from the South line and 2590 feet from the West line, (Unit letter N) of Section 23, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, for the purpose of commercial disposal of produced water.

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 and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and 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 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.

IT IS THEREFORE ORDERED THAT:

The applicant, Probitry SWD, LLC (OGRID 296278), is hereby authorized to utilize its Mac Brant East SWD Well No. 1 (API 30-015-45670) with a location of 1160 feet from the South line and 2590 feet from the West line, (Unit letter N) of Section 23, Township 24 South, Range 29 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 15000 feet to approximately 16500 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 per foot 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 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.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Engineering Bureau, 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 II and the operator shall be required to receive written permission prior to commencing disposal.

The operator shall circulate to surface the cement for the surface and intermediate casings.

If cement does not circulate on any casing string, the operator shall run a cement bond log (CBL) or other log to determine top of cement and shall notify the Artesia District 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 action to bring cement, at a minimum, 200 feet above the next higher casing shoe.

The operator shall run a CBL (or equivalent) for the 7^{5/8}-inch liner to demonstrate placement cement and the cement bond with the tie-in with 9^{3/8}-inch casing string. The operator shall provide a copy of the CBL to the Division's District II prior to commencing disposal.

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.

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 3000 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.



GABRIEL WADE
Acting Director

GW/mam

cc: Bureau of Land Management – Carlsbad Field Office
Oil Conservation Division – Artesia District Office
Well File - 30-015-45670

Attachment: C-108 well completion diagram