Received by OCD: 9/3/2019 12:28:33 PM

#### BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF VISTA DISPOSAL SOLUTIONS LLC, FOR A SALT WATER DISPOSAL WELL, IN LEA COUNTY, NEW MEXICO.

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Case	INO.	

#### APPLICATION FOR SALT WATER DISPOSAL

Vista Disposal Solutions LLC, by and through its undersigned attorney, applies for an order approving a salt water disposal well, and in support thereof, states:

- 1. Applicant seeks an order proposing a salt water disposal well its Katherine Federal SWD #1, to drilled at a location 707' FNL and 1,992' FEL, Unit B, Section 24, Township 25 South, Range 32 East, N.M.P.M., Lea County, New Mexico.
- 2. Applicant proposes to set a packer at 17,700' feet below the surface of the earth and then inject into the Devonian Silurian formation at depths between 17,720' through 19,000' open hole, as stated in the attached C-108.
  - 3. Attached hereto as Exhibit A is the C-108.
  - 4. The granting of this application will prevent waste and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

#### /s/ ERNEST L. PADILLA

ERNEST L. PADILLA,
Attorney for Vista Disposal Solutions, LLC
PO Box 2523
Santa Fe, New Mexico 87504
505-988-7577
padillalaw@gwestoffice.net

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108 Revised June 10, 2003

#### **APPLICATION FOR AUTHORIZATION TO INJECT**

I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? X Yes No
II.	OPERATOR: Vista Disposal Solutions, LLC
	ADDRESS: 12444 NM 10th St., Building G, Suite 202-512, Yukon, OK 73099
	CONTACT PARTY Nate Alleman PHONE: 918-382-7581
III.	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? Yes X No  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:
	<ol> <li>Proposed average and maximum daily rate and volume of fluids to be injected;</li> <li>Whether the system is open or closed;</li> <li>Proposed average and maximum injection pressure;</li> <li>Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,</li> <li>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.).</li> </ol>
*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.	
	belief.  NAME: Dan Arthur, P.E., SPEC  TITLE: President/Chief Engineer
	SIGNATURE: 12 Date: 8/12/2019
	E-MAIL ADDRESS: darthur@all-llc.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:
DIST	RIBUTION: 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.

Application for Authorization to Inject Well Name: Katherine Federal SWD #1

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

A.

#### (1) General Well Information:

Operator: Vista Disposal Solutions, LLC (OGRID No. 329051) Lease Name & Well Number: Katherine Federal SWD #1

Location Footage Calls: 707' FNL & 1,992' FEL Legal Location: Unit Letter B, S24 T25S R32E

Ground Elevation: 3,478'

Proposed Injection Interval: 17,720' – 19,000'

County: Lea

#### (2) Casing Information:

Туре	Hole Size	Casing Size	Casing Weight	Setting Depth	Sacks of Cement	Estimated TOC	Method Determined
Surface	24"	20"	133.0 lb/ft	865'	880	Surface	Circulation
Intermediate 1	14-3/4"	13-3/8"	68.0 lb/ft	4,910'	1,100	Surface	Circulation
Intermediate 2	12-1/4"	9-5/8"	53.5 lb/ft	14,500'	4,800	Surface	Circulation
Liner	8-1/2"	7-5/8"	39.0 lb/ft	17,720	280	14,300 (TOL)	CBL

#### (3) Tubing Information:

4-1/2" (composite weight string) of fiberglass-coated tubing with setting depth of 17,700'

(4) Packer Information: Lok-set or equivalent packer set at 17,700'

B.

(1) Injection Formation Name: Devonian and Silurian-Fusselman formations

Pool Name: SWD; DEVONIAN - SILURIAN

**Pool Code:** 97869

- (2) Injection Interval: Open-hole injection between 17,720′ 19,000′
- (3) Drilling Purpose: New Drill for Salt Water Disposal
- (4) Other Perforated Intervals: No other perforated intervals exist.
- (5) Overlying Oil and Gas Zones: Below are the approximate formation tops for known oil and gas producing zones in the area.
  - Delaware (4,910')
  - Bone Springs (9,800')
  - Wolfcamp (12,000')
  - Atoka (14,650')
  - Morrow (15,400')

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

#### V – Well and Lease Maps

The following maps are included in Attachment 2:

- 2-mile Oil & Gas Well Map
- 2-mile Lease Map
- 1.5-mile Deep SWD Map (Devonian/Silurian SWDs)
- 1-mile Well Detail List
- Potash Lease Map

#### VI – AOR Well List

There are no wells within the 1-mile AOR that penetrate the proposed injection zone.

A list of the wells within the 1-mile 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: 3,544 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 SWD will be injecting water into the Devonian and Silurian-Fusselman formations which is a non-productive zone known to be compatible with formation water from the Wolfcamp and Bone Springs formations. Water analyses from the Devonian-Silurian formation in the area are included in *Attachment 4*.

#### VIII – Geologic Description

The proposed injection interval includes the Devonian and Silurian-Fusselman formations from 17,720-19,000 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 840 feet. Water well depths in the area range from approximately 70 - 420 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 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 1-mile of the proposed SWD location. A list of the recipients, as well as delivery confirmations, are included in *Attachment 7*.

Attachment 1: Wellbore Diagram

Attachment 2: Area of Review Information:

- 2-mile Oil & Gas Well Map
- 2-mile Lease Map
- 1.5-mile Deep SWD Map (Devonian/Silurian SWDs)
- 1-mile Well Detail List
- Potash Lease Map

**Attachment 3:** Source Water Analyses

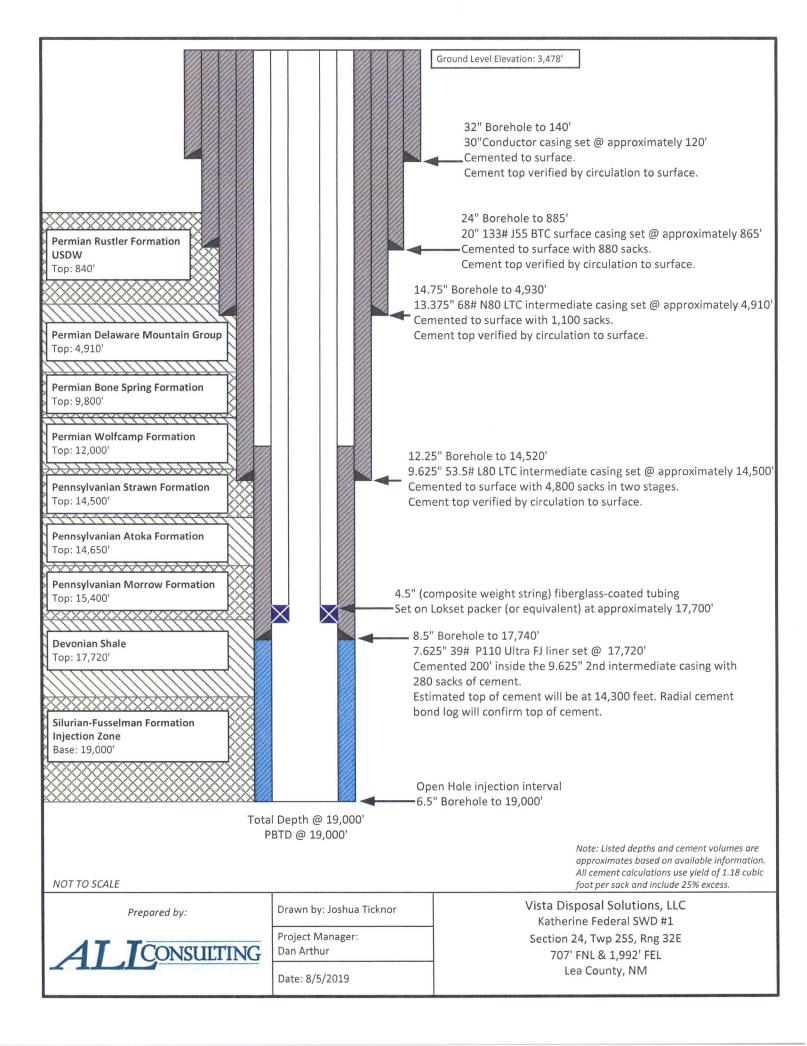
Attachment 4: Injection Formation Water Analyses

Attachment 5: Water Well Map and Well Data

Attachment 6: Induced Seismicity Assessment Letter

Attachment 7: Public Notice Affidavit and Notice of Application Confirmations

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.

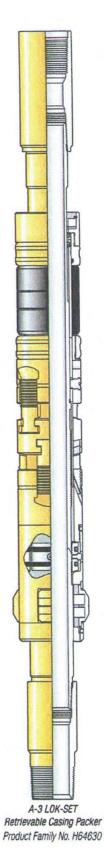
#### Advantages

- 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.



SPECIFICATION GUIDES

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

	Casing	TOTAL STREET,			Packer		
00		Weight *	Size	Nom	מו	Max G Ring	
in.	mm	lb/ft		In.	nım	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
4-1/2	101.6	9.5	41A4	1.500	38.1	3.423	112.4
4	701.0	18.8	41A4		00.4	3.423	112.4
		13.5-17.7	41B	1.500	38.1	3.578	90.9
4-1/2	114.3	11.6-13.5	43A2			3.786	96.2
		9.5-10.5	43A4	1.978	50.2	3.786	96.2
		15-18	438			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		50.0	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			4.796	121.8
		26	458			4.796	121.8
6	152.4	20-23	45C	1.978	50.2	5.078	129.0
U	102.4	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
0-3/0	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			5.671	144.0
		32-35	47A4			5.827	148.0
7	177.8	26-29	4782	2.441	62.0	5.983	152.0
		23-26	47B4			6.093	154.8
		17-20	47C2			6.281	159.5
		33.7-39	47C4			6.468	164.3
7-5/8	193.7	24-29.7	4702	2.441	62.0	6.687	169.9
		20-24	47D4			6.827	173.4
		44-49	49A2			7.327	186.1
8-5/8	219.1	32-40	49A4	3.500	88.9	7.546	191.7
		20-28	498			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	218.6

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

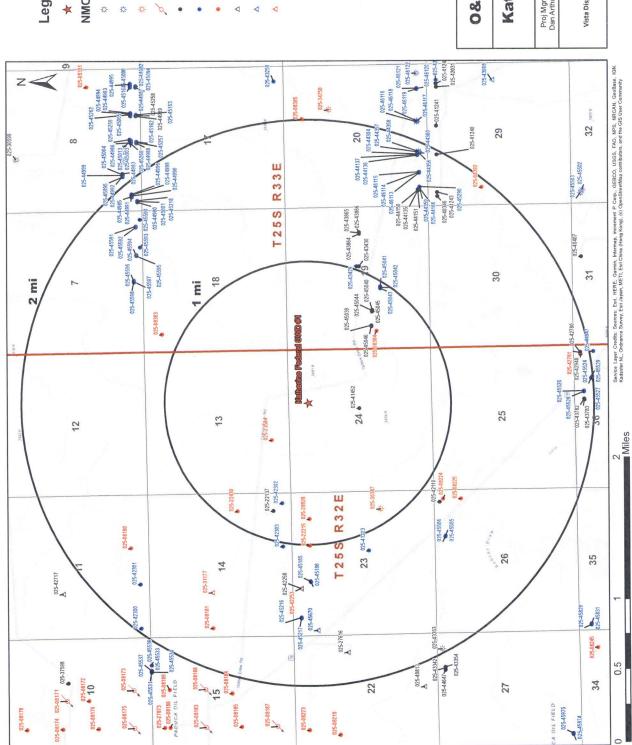
Cas	ing				Pac	ker				
0	D	Weight *	Size	Non	1D	Max Gage	Ring OD	Max Dia Compressed		
in.	mm	lb/ft		in.	mm	in.	mm	in.	mm	
		20	45A2 x 2-3/8			4.562	115.9	4.592	116.6	
5-1/2	139.7	15.5-17	45A4 x 2-3/8	2.375	2.375	60.3	4.656	118.3	4.750	120.7
		13	458 x 2-3/8			4.796	121.8	4.902	124.5	
6	152.4	26	45B x 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.

Area of Review Information:

- 2-mile Oil & Gas Well Map
- 2-mile Lease Map
- 1.5-mile Deep SWD Map (Devonian/Silurian SWDs)
- 1-mile Well Detail List
- Potash Lease Map



### Legend

★ Proposed SWD

## NMOCD O&G Wells

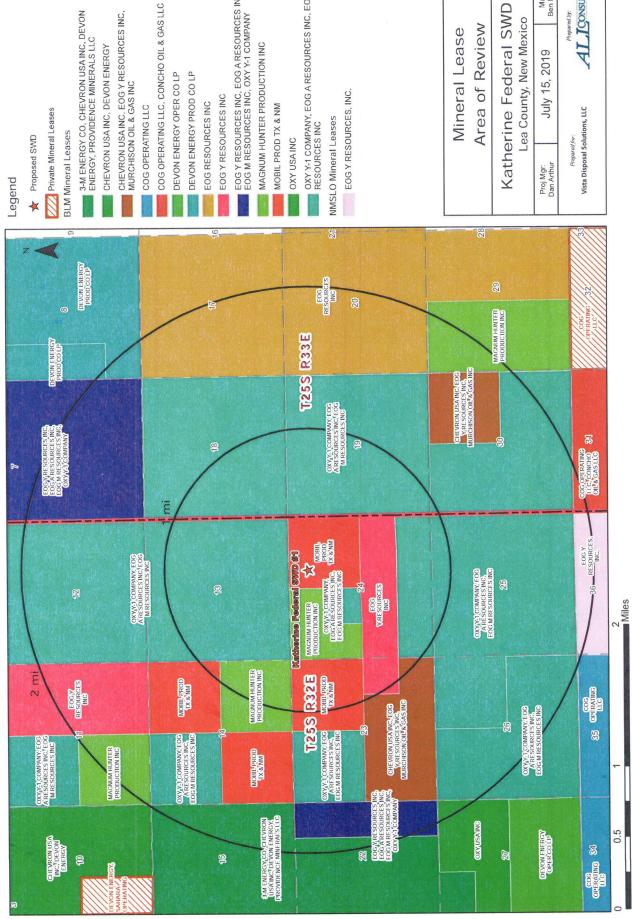
- Gas, Active (2)
  - Gas, New (11)
- Gas, Plugged (2)
- Injection, Plugged (6)
- Oil, Active (32) Oil, New (88)
- Oil, Plugged (26)
- Salt Water Injection, Active (4)
- Salt Water Injection, New (2)
- Salt Water Injection, Plugged (2)

# **O&G Wells Area of Review**

# Katherine Federal SWD #1

Lea County, New Mexico

Mapped by: Ben Bockelmann	ed by:	ONSULTING
July 09, 2019	Prepai	Disposal Solutions, LLC
Proj Mgr: Dan Arthur	Prepared s	Vista Disposal Sol



CHEVRON USAINC, DEVON ENERGY

CHEVRON USA INC, EOG Y RESOURCES INC, MURCHISON OIL & GAS INC

COG OPERATING LLC

DEVON ENERGY OPER CO LP

DEVON ENERGY PROD CO LP

EOG RESOURCES INC

EOG Y RESOURCES INC

EOG Y RESOURCES INC, EOG A RESOURCES INC, EOG M RESOURCES INC, OXY Y-1 COMPANY

MAGNUM HUNTER PRODUCTION INC

MOBIL PROD TX & NM

OXY Y-1 COMPANY, EOG A RESOURCES INC, EOG M RESOURCES INC

### Area of Review Mineral Lease

# Katherine Federal SWD #1

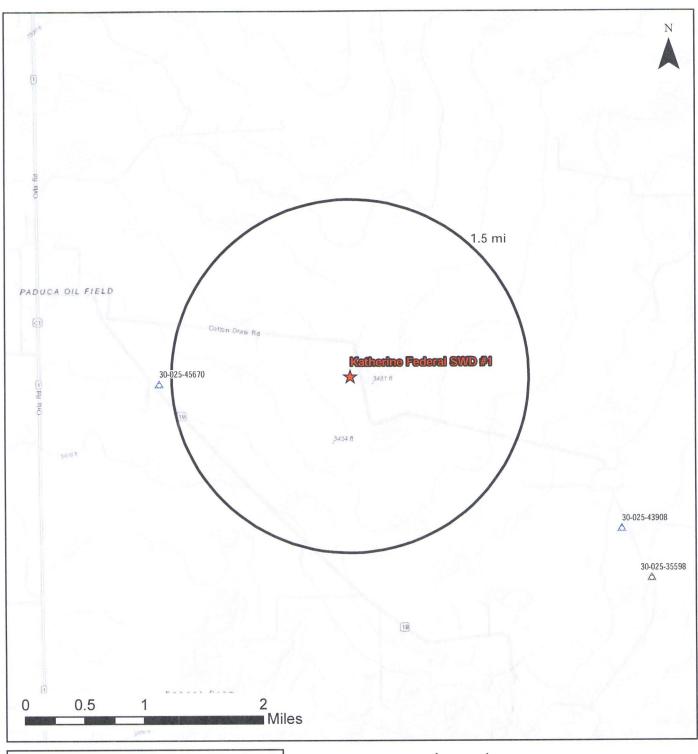
Lea County, New Mexico

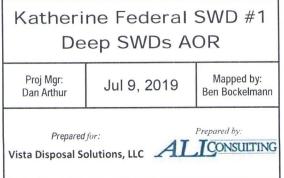
July 15, 2019

Mapped by: Ben Bockelmann

Prepared for:

AL ICONSULTING





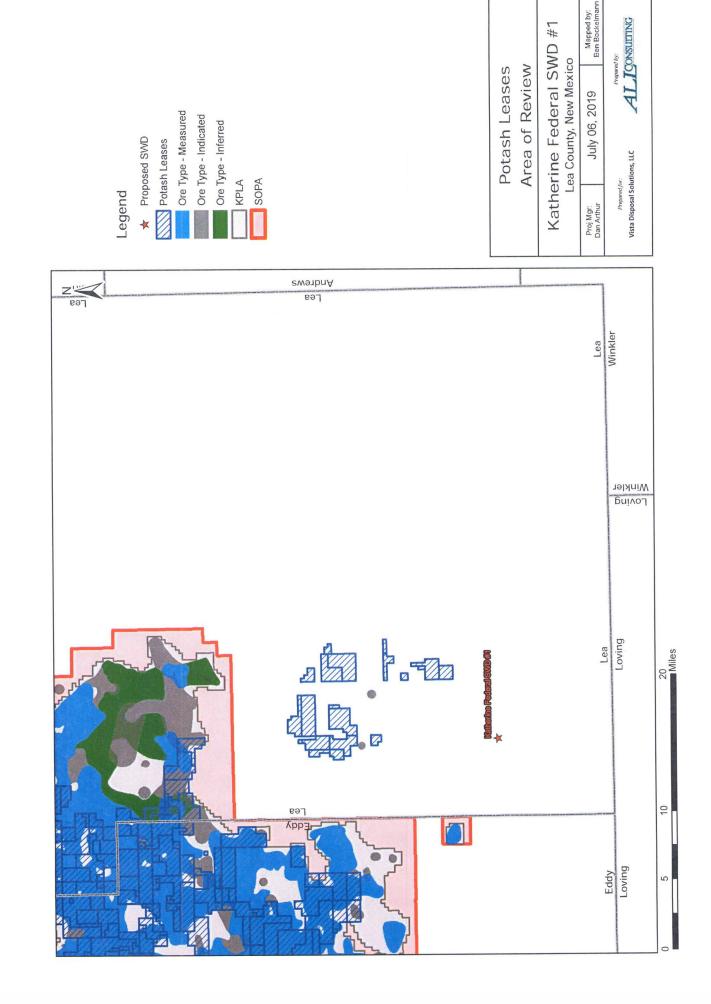
#### Legend

Proposed SWD Devonian/Silurian SWDs

△ Salt Water Injection, Active (2)

△ Salt Water Injection, New (2)

Well Name	API#	Well Type	Operator Spud Date Location (S.	Spud Date	Spud Date Location (Sec., Tn., Rng.)	Total Vertical Depth (feet)	Penetrate Inj. Zone?
FUGGLES 14 FEDERAL COM #001H	30-025-42302	0	CIMAREX ENERGY CO.	Not drilled	P-14-25S-32E	Proposed (9,457)	No
PADUCA AIG FED. #001	30-025-30387	Plugged	DEVON ENERGY PRODUCTION COMPANY, LP	5/26/1988	I-23-25S-32E	Plugged (16,131)	No
AUDACIOUS 19 FEDERAL #721H	30-025-45039	0	EOG RESOURCES INC	8/26/2018	3-19-25S-33E	12,654	No
AUDACIOUS 19 FEDERAL #706H	30-025-45042	0	EOG RESOURCES INC	Not drilled	K-19-25S-33E	Proposed (12,317)	No
AUDACIOUS 19 FEDERAL #709H	30-025-45045	0	EOG RESOURCES INC	9/6/2018	K-19-25S-33E	12,311	No
AUDACIOUS 19 FEDERAL #707H	30-025-45043	0	EOG RESOURCES INC	Not drilled	K-19-25S-33E	Proposed (12,312)	No
AUDACIOUS 19 FEDERAL #710H	30-025-45046	0	EOG RESOURCES INC	8/27/2018	3-19-25S-33E	12,333	No
RESOLUTE BTO FEDERAL COM #002H	30-025-41452	0	EOG RESOURCES INC	10/18/2015	G-24-25S-32E	602'6	No
AUDACIOUS 19 FEDERAL #722H	30-025-45040	0	EOG RESOURCES INC	9/7/2018	K-19-25S-33E	12,640	No
AUDACIOUS 19 FEDERAL #603H	30-025-45041	0	EOG RESOURCES INC	Not drilled	K-19-25S-33E	Proposed (12,145)	No
AUDACIOUS 19 FEDERAL #708H	30-025-45044	0	EOG RESOURCES INC	9/1/2018	K-19-25S-33E	12,327	No
PADUCA UNIT #002	30-025-28928	Plugged	EOG Y RESOURCES, INC.	11/19/1984	A-23-25S-32E	Plugged (5,000)	No
FEDERAL O #001	30-025-22137	0	JKM ENERGY, LLC	5/24/1967	P-14-25S-32E	4,904	No
PRE-ONGARD WELL #001	30-025-08384	Plugged	PRE-ONGARD WELL OPERATOR (Robert B. Holt & Texas Crudee Oil Co.)	4/19/1961	3-19-25S-33E	Plugged (5,023)	No
PRE-ONGARD WELL #002	30-025-22430	Plugged	PRE-ONGARD WELL OPERATOR (Joseph I O'Neill, Jr.)	2/13/1968	I-14-25S-32E	Plugged (4,896)	No
PRE-ONGARD WELL #001	30-025-23584	Plugged	PRE-ONGARD WELL OPERATOR (Patoil Corporation)	11/9/1970	N-13-25S-32E	Plugged (4,957)	No
Notes: No wells within the 1-mile AOR penetrate the injection interval	penetrate the inje	ction interval.					



Source Water Analyses



#### **Water Analysis**

Date: 23-Aug-11

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

**Analyzed For** Broshu Well Name Company County State New Mexico BD FCG. 1-265-296 Sample Sample Source Swab Sample Formation Depth Specific Gravity 1.170 SG @ 60 °F 1.172 6.30 Sulfides **Absent** pH 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 Iron (FE2) in Mg/L 10.0 in PPM Anions in PPM Chlorides in Mg/L 130,000 110,922 Sulfates in Mg/L 250 in PPM 213 **Bicarbonates** in Mg/L 127 in PPM 108 in PPM 12,799 Total Hardness (as CaCO3) in Mg/L 15,000 in Mg/L 213,549 in PPM 182,209 Total Dissolved Solids (Calc) Equivalent NaCl Concentration in Mg/L 182,868 in PPM 156,031 Scaling Tendencies 507.520 \*Calcium Carbonate Index Belgw 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable 1,000,000 \*Calcium Sulfate (Gyp) Index Selow 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable

Remarks

RW=.048@70F

<sup>&</sup>quot;This Calculation is only an approximation and is only valid before treatment of a well or several weaks after tresument

### Sec 22, T25,5, R28E

North Permian Basin Region P.O. Box 740 Sundown, TX 79372-0740 (806) 228-8121 Lab Team Leader - Shellz Hernandez

(432) 495-7240

Bone Spring

#### Water Analysis Report by Baker Petrolite

Company:

Sales RDT:

33514.1

Region:

PERMIAN BASIN

Account Manager: TONY HERNANDEZ (575) 910-7135

Area:

a transfer and the state of the

534665

Muda.

ARTESIA, NM

Sample #:

00 1000

Lease/Platform:

PINOCHLE BPN' STATE COM

Analysis ID #:

106795 \$90.00

Entity (or well #):

: 2H

Analysis Cost:

Formation:

UNKNOWN

Sample Point:

WELLHEAD

Summary		Ar	alysis of Sar	mple 534665 @ 75	F	
Sampling Date: 03/10/	11 Anions	mg/l	Преп	Cations	mg/l	maq/
Analysis Date: 03/18/	11 Chloride:	109618.0	3091.92	Sodium:	70275.7	3058.82
Analyst: SANDRA GOM	Z Bicarbonate:	2135.0	34.99	Magnesium:	195.0	18.04
	Carbonate:	0.0	0.	Calcium:	844.0	42.12
TDS (mg/t or g/m3): 18491	Sulfata:	747.0	15.55	Strontium:	220.0	5.02
Density (g/cm3, tonne/m3): 1.1	Phosphale:			Barlum:	0.8	0.01
Anion/Cation Ratio:	Borate:			Iron:	6.5	0.23
	Silicate:		ľ	Polassium:	889.0	22.22
				Aluminum:		
Carbon Dioxide: 0 50 PPN	Hydrogen Sulfide:		0 PPM	Chromlum:		
Oxygen:	all at time of some			Copper:		
Comments:	pH at time of sampli	ng:	′	Lead:		
, , , , , , , , , , , , , , , , , , ,	pH at time of analysi	is:	1	Manganese:	0.100	0
	pH used in Calcula	tion:	7	Nickel:		

Cond	itions		Values C	alculated	at the Give	n Conditi	ons - Amoi	ints of Sc	ale in lb/10	ldd 00		
	Gauge Press.		alcite aCO <sub>3</sub>		aum 142H <sub>2</sub> 0		ydrite aSO <sub>4</sub>		estite rSO <sub>4</sub>		rite ISO 4	CO <sub>2</sub> Press
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	0 00	-0.18	0.00	0.00	0.00	4.21

Note 1: When assessing the severity of the scale problem, both the saturation Index (31) and amount 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.

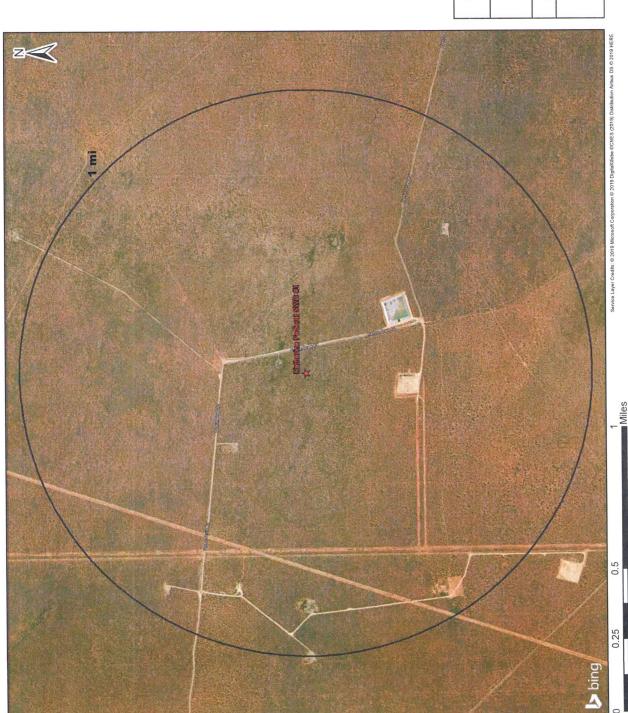
Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

Injection Formation Water Analyses

nate\_mgl. 302 476 15270 59300 46200 48600 44000 77000 65000 65000 129000 35870 129000 Tds\_mgL (176234 31931 72200 80900 77600 114000 115000 115000 11500 115300 11530 11 158761 DEVONIAN
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ARNOTT RAMSAY NCT-B #003
ARNOTT RAMSAY NCT-B #003
COPPER #001 STATE NIA #001
WESTATES FEDERAL #004
WESTATES FEDERAL #008
WESTATES FEDERAL #008
STATE Y #009
STATE Y #009
STATE Y #009
STATE Y #009
GARLSON A #002
CARLSON B 25 #004 Wellname

2544 4630 3780 3442

Water Well Map and Well Data



### Legend

★ Proposed SWD

## NMOSE PODS

Active (0) Status

- Pending (0)
- Change Location of Well (0)
- Capped (0) Plugged (0)
- Incomplete (0)
- Unknown (0)

# Water Wells Area of Review

# Katherine Federal SWD #1 Lea County, New Mexico

Proj Mgr: Dan Arthur

August 05, 2019

Mapped by: Ben Bockelmann



			Water Well Sa	Water Well Sampling Rationale		ACTION OF THE PROPERTY OF THE
			Vista Disposal Solutions, LL	Vista Disposal Solutions, LLC - Katherine Federal SWD #1		
SWD	Water Wells	Owner	Available Contact Information	Use	Sampling Required	Notes
: No water wel	Note: No water wells are present within 1 mile of the proposed :	mile of the proposed SV	SWD location.			

Induced Seismicity Assessment Letter

July 16, 2019

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 Katherine Federal SWD #1

Dear Mr. Goetze,

This letter provides information regarding the seismic potential associated with injection operations associated with Vista Disposal Solutions, LLC (Vista), proposed Katherine Federal 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 707 FNL & 1,992 FEL of Section 24, in T25-S and R32-E of Lea County, New Mexico. Historically, the Eddy and Lea Counties area has experienced very limited recorded seismic activity (per the U.S. Geological Survey [USGS] earthquake catalog database). There has been one known seismic event located within a 25-mile radius of the proposed Subject Well. The closest recorded seismic event was a M2.9 that occurred on December 4<sup>th</sup>, 1984, and was located approximately 10.8 miles northeast 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 1.6 miles to the west (See Exhibit 1).

Vista 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 7.9 miles east 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

Induced Seismicity Potential Statement for the Katherine Federal SWD #1 July 16, 2019

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

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

Enclosures References Exhibits Induced Seismicity Potential Statement for the Katherine Federal SWD #1 July 16, 2019

References

Induced Seismicity Potential Statement for the Katherine Federal SWD #1 July 16, 2019

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. https://certmapper.cr.usgs.gov/data/noga95/prov44/text/prov44.pdf (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. <a href="https://mrdata.usgs.gov/geology/state/state.php?state=NM">https://mrdata.usgs.gov/geology/state/state.php?state=NM</a> (accessed June 14, 2018).

Jones, Rebecca H. 2008. "The Middle-Upper Ordovician Simpson Group of the Permian Basin: Deposition, Diagenesis, and Reservoir Development." <a href="http://www.beg.utexas.edu/resprog/permianbasin/PBGSP">http://www.beg.utexas.edu/resprog/permianbasin/PBGSP</a> members/writ synth/Simpson.pdf (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. https://earthquake.usgs.gov/earthquakes/search/ (accessed June 14, 2018).

Induced Seismicity Potential Statement for the Katherine Federal SWD #1 July 16, 2019

**Exhibits** 

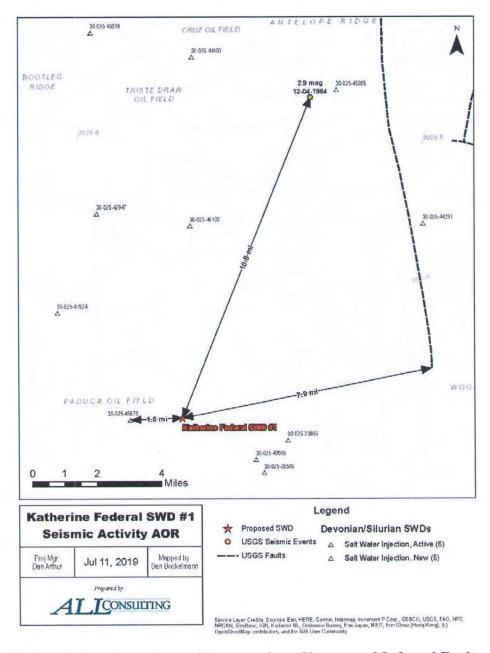


Exhibit 1. Map Showing the Distances from Known and Inferred Faults, Seismic Event, and Closest Deep Injection Well

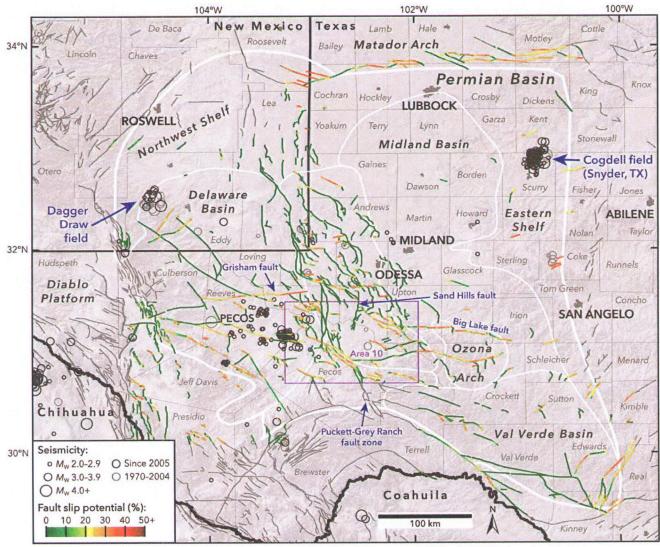


Exhibit 2. Results of the Snee and Zoback (2018) Probabilistic FSP Analysis Across the Permian Basin

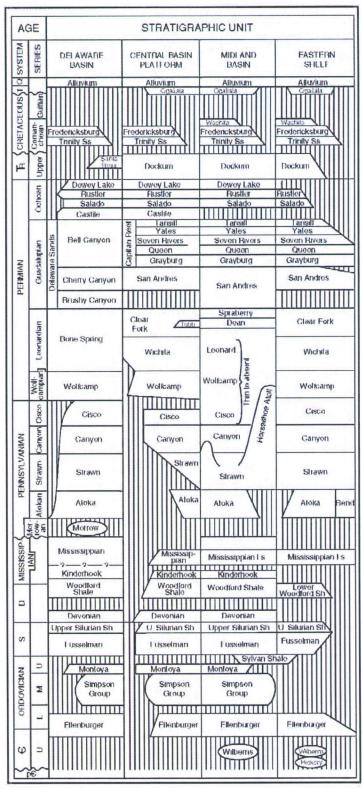


Exhibit 3. Delaware Basin Stratigraphic Chart (Ball 1995)

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 July 06, 2019 and ending with the issue dated July 06, 2019.

Publisher

Sworn and subscribed to before me this 6th day of July 2019.

Business Manager

My commission expires

January 29, 2023

(Seal)

OFFICIAL SEAL
GUSSIE BLACK
Notary Public
State of New Mexico

e Black

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

LEGAL NOTICE JULY 6, 2019

#### APPLICATION FOR AUTHORIZATION TO INJECT

NOTICE IS HEREBY GIVEN: That Vista Disposal Solutions, LLC, 12444 NW 10th St., Building G, Suite 202-512, Yukon, Ok 73099, 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: Katherine Federal SWD #1
NW ¼ NE ¼, Section 24, Township 259, Range 32E
Z07' FNL & 1,992' FEL
Lea County, NM

NAME AND DEPTH OF DISPOSAL ZONE: Devonian - Silurian (17.720' - 19.000')
EXPECTED MAXIMUM INJECTION RATE: 30.000
BDIs/day
EXPECTED MAXIMUM INJECTION PRESSURE: 3.544 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 Nate #34407

67115320

00230515

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

Katherine Fed	eral SWD #1 - Notice of Application Recipi	ents		
Entity	Address	City	State	Zip Code
	Landowner & Mineral Owner			
New Mexico BLM	620 E Greene St.	Carlsbad	NM	88220
	OCD District			
NMOCD District 1	1625 N. French Drive	Hobbs	NM	88240
	Leasehold Operators			
Chevron USA Inc. (CHEVRON USA INC)	6301 Deauville	Midland	TX	79706
Cimarex Energy Co.	600 N. Marienfield St. Suite 600	Midland	TX	79701
EOG A Resources, Inc. (EOG A RESOURCES INC)	P.O. Box 900	Artesia	NM	88211
EOG M Resources, Inc. (EOG M RESOURCES INC)	P.O. Box 840	Artesia	NM	88211
EOG Resources, Inc. (EOG RESOURCES INC)	104 S. 4th Street	Artesia	NM	88210
EOG Y Resources, Inc. (EOG Y RESOURCES INC)	104 S. 4th Street	Artesia	NM	88210
JKM Energy, LLC	26 E Compress Road	Artesia	NM	88210
Magnum Hunter Production, Inc. (MAGNUM HUNTER PRODUCTION INC)	202 S. Cheyenne Ave., Suite 1000	Tulsa	ОК	74103
Mobil Producing Texas & New Mexico (MOBIL PROD TX &NM)	P.O. Box 1760	Denver City	TX	79323
Murchison Oil & Gas Inc. (MURCHISON OIL & GAS INC)	7250 Dallas Parkway, Suite 1400	Plano	TX	75024
OXY-1 Company	P.O. Box 27570	Houston	TX	77227

Notes: The table above shows the Entities who were identified as parties of interest requiring notification on either the 1-mile well detail list (Attachment 2) or on the 2-mile Mineral Lease Map (Attachment 2). The names listed above in parenthesis, are the abbreviated entity names used on either the 1-mile well detail list (Attachment 2) or on the 2-mile Mineral Lease Map (Attachment 2).

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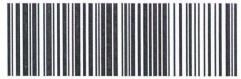
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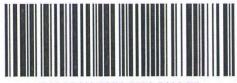
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