

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
APPLICATION FOR AUTHORIZATION TO INJECT**

Prepared for

San Mateo Stebbins Water Management, LLC
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Prepared by

SWCA Environmental Consultants
5647 Jefferson Street NE
Albuquerque, New Mexico 87109
(505) 254-1115
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January 2020

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: _____ San Mateo Stebbins Water Management, LLC _____

ADDRESS: _____ 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240 _____

CONTACT PARTY: _____ Lara Thompson _____ PHONE: _____ 505-254-1115 _____

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:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: _____ Lara Thompson _____ TITLE: _____ Project Manager _____

SIGNATURE: _____ DATE: _____ 1/21/2020 _____

E-MAIL ADDRESS: _____ lara.thompson@swca.com _____

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

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

Side 2

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.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

FORM C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name BOBBY WATTS FEDERAL SWD			⁶ Well Number 1				
⁷ OGRID No. 32.8762		⁸ Operator Name SAN MATEO STEBBINS WATER MANAGEMENT, LLC			⁹ Elevation 3234'				
¹⁰ Surface Location									
UL or lot no. F	Section 30	Township 20-S	Range 29-E	Lot Idn -	Feet from the 1944'	North/South line NORTH	Feet from the 2230'	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. -	Section -	Township -	Range -	Lot Idn -	Feet from the -	North/South line -	Feet from the -	East/West line -	County -
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

M. Books Verschoyle 9/17/2019
Signature Date
M. Books Verschoyle
Printed Name
bverschoyle@sanmateo
E-mail Address
midstream.com

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true to the best of my belief.

09/12/2019
Date of Survey
Signature and Seal of Registrar

Certificate Number

Side 1

INJECTION WELL DATA SHEET

OPERATOR: San Mateo Stebbins Water Management, LLC

WELL NAME & NUMBER: Bobby Watts Federal SWD #1

WELL LOCATION: 1944FNL, 2230 FWL F 30 20S 29E
 FOOTAGE LOCATION UNIT LETTER SEC TWNSHP RANGE

WELLBORE SCHEMATIC

WELL: Bobby Watts Fed SWD #1		PROSPECT: Devonian SWD						
GL ELEV : 3234' RKB ELEV : 3282.5'		Surface Hole Location : 1944' FNL & 2230' FWL Sec. 30, TWP 20-S, RGE 29-E Eddy County, NM						
Formation Tops (TVD @ 0' VS)	MW (PPG)	Directional and BHA Details	CASING DIAGRAM	Depth (MD)	Hole	Casing & Cement Details 36" Conductor @ ± 80' GL	Logs/Notes	
	8.4-8.8 FW			338'	32"	Surf. Csg Cmt: (50% OH excess) Tail: 300' critical Total Sacks Cement: 750 26", 202.3#, X-60, Franks DDS		
Rustler @ 313' Salado @ 513' Base of Salt @ 753' Yates @ 863' Seven Rivers @ 1163'	10.0-10.4 Sat. Brine			1,200'	24"	Int. 1 Csg Cmt: (50% OH excess) Lead: Circulate to surface Tail: 300' critical Total Sacks Cement: 1040 20", 106.5#, J-55, BTC		
Capitan @ 1293' Bell/Cherry Canyon @ 3133'	8.4-8.8 FW			3,300'	17-1/2"	Int. 2 Csg Cmt: (50% OH excess) Lead: Circulate to surface Tail: 20% critical Total Sacks Cement: 1970 13-3/8", 68#, J-55, BTC	• Optional: DV/Packer Tool @ 1250' (50' outside shoe) with 2-stage Cement Job	
Brushy Canyon @ 4383' Bone Spring Lime @ 5718' 1" Bone Spring Sand @ 6892' 2" Bone Spring Carb @ 7094' 2" Bone Spring Sand @ 7497' 3" Bone Spring Carb @ 7913' 3" Bone Spring Sand @ 8730' Wolfcamp @ 9164'	8.4-9.4 Cut Brine			9,300'	12-1/4"	Int. 3 Csg Cmt: (35% OH excess) Lead: Circulate to surface Tail: 8,300' Total Sacks Cement: 1840 9-5/8", 40#, P-110HC, BTC		
Wolfcamp B @ 9392' Strawn @ 10345' Atoka @ 10813' Morrow @ 11163' Barnett @ 11838' Miss Lime @ 12113' Woodford Shale @ 12593'	9.5-12 Mud			12,683'	8-3/4"	Prod Csg Cmt: Tail: 8,800' (10% OH excess, subject to change based on fluid caliper) Total Sacks Cement: 370 Liner Hanger 7-5/8", 33.7#, P-110HC, USS Liberty FJM, 8,800' - TD Liner		
Devonian Carb @ 12873' Montoya @ 13673'	8.4-9.2 FW			13,663'	8-1/2"	Tubing: Permanent Packer @ 12,583' (Packer must be set within 100' of casing shoe) 7", 26#, P-110, BTC, Fiberglass Lined, 0 - 8,700' 5-1/2", 20#, P-110IC, BTC, IPC or Fiberglass Lined, 8,700' - 12,583'		
Prepared By: BAH - 12/4/2019								

WELL CONSTRUCTION DATA

<u>Surface Casing</u>	
Hole Size:32in	Casing Size:26in
Cemented With: 750 sx	or ft ³
Top of Cement: 0ft	Method Determined: Visual
<u>Intermediate Casing 1</u>	
Hole Size:24in	Casing Size:20in
Cemented With: 1,040 sx	or ft ³
Top of Cement: 0ft	Method Determined: Visual
<u>Intermediate Casing 2</u>	
Hole Size:17.5in	Casing Size:13.375in
Cemented With: 1,970 sx	or ft ³
Top of Cement: 0ft	Method Determined: Visual
<u>Intermediate Casing 3</u>	
Hole Size:12.25in	Casing Size:9.625in
Cemented With: 1,840 sx	or ft ³
Top of Cement: 0ft	Method Determined: Visual
<u>Production Casing</u>	
Hole Size:8.75in	Casing Size:7.625in
Cemented With: 370 sx	or ft ³
Top of Cement:8,800ft	Method Determined: Visual/CBL
<u>Injection Interval</u>	
12,673 feet to 13,523ft	
(Perforated or <u>Open Hole</u> indicate which)	

INJECTION WELL DATA SHEET

Tubing Size: ___7in (0-8,700ft) and 5.5in (8,700-12,583ft)_Lining Material: ___IPC or fiberglass_____

Type of Packer: _____stainless steel and/or nickel_____

Packer Setting Depth: ___12,583ft_____

Other Type of Tubing/Casing Seal (if applicable): ___ N/A _____

Additional Data

1. Is this a new well drilled for injection? ___✓___ Yes _____No

If no, for what purpose was the well originally drilled? _____

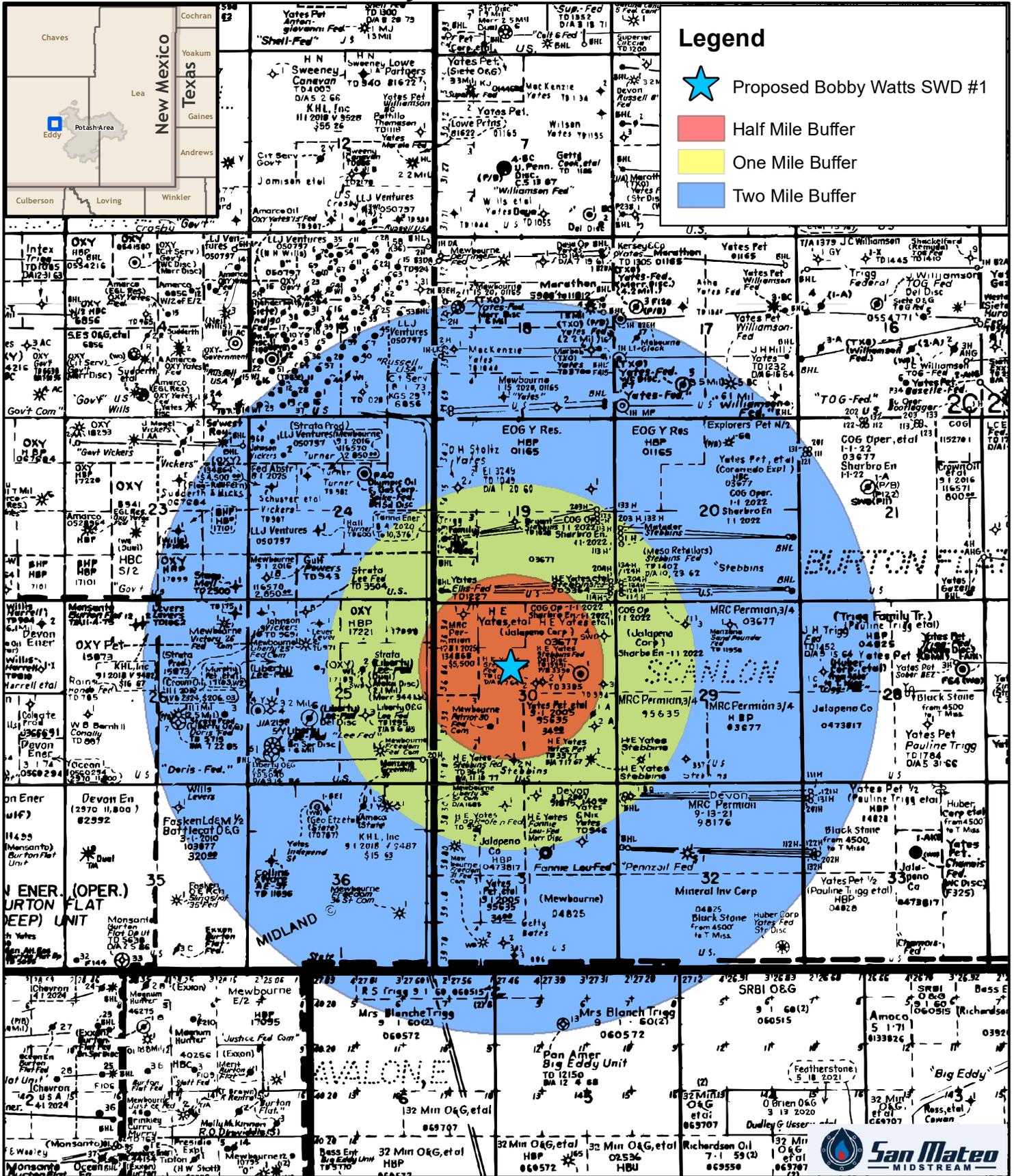
2. Name of the Injection Formation: _____Devonian_____

3. Name of Field or Pool (if applicable): ___N/A_____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____ N/A _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____ N/A _____

Bobby Watts SWD #1



Legend

-  Proposed Bobby Watts SWD #1
-  Half Mile Buffer
-  One Mile Buffer
-  Two Mile Buffer

1:45,000

1 inch = 3,750 feet

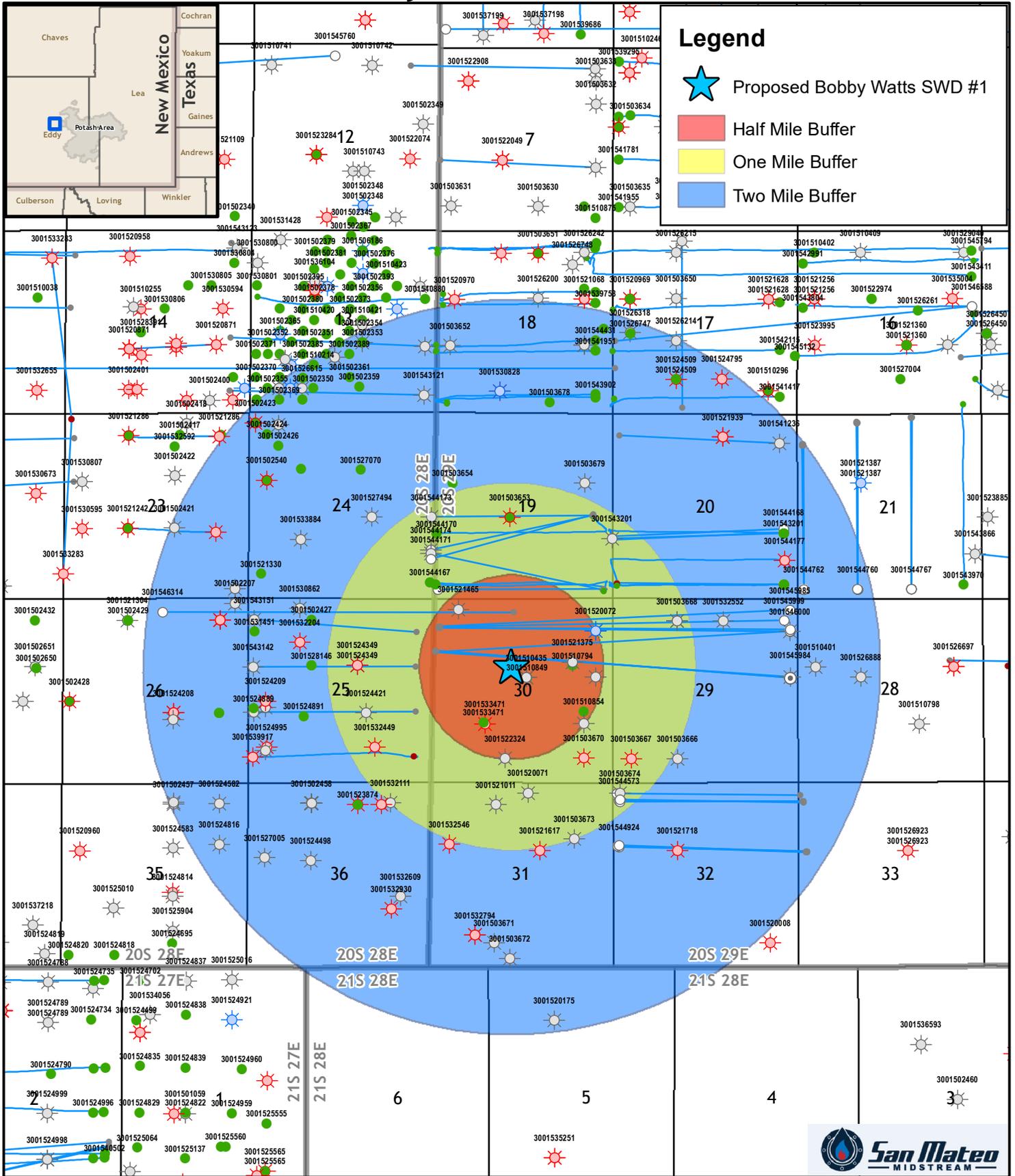
Southeast New Mexico

GIS Standard Map Disclaimer:
 This cartographic product is for informational purposes and may not have been prepared for, or be suitable for, legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.



Map Prepared by: agreeen
 Date: January 21, 2020
 Filename: 20200121_BobbyWatts_SWD_Notice
 Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 3001
 Projection: Transverse Mercator; Datum: North American 1927; Units: Foot 001
 Sources: IHS; ESRI;

Bobby Watts SWD #1



Legend

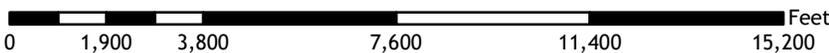
-  Proposed Bobby Watts SWD #1
-  Half Mile Buffer
-  One Mile Buffer
-  Two Mile Buffer

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1:45,000

1 inch = 3,750 feet

Southeast New Mexico



Map Prepared by: agreeen
 Date: January 21, 2020
 Filename: 20200121_BobbyWatts_SWD_Notice
 Coordinate System: NAD 1927 StatePlane New Mexico East FIPS 3001
 Projection: Transverse Mercator; Datum: North American 1927; Units: Foot US
 Sources: IHS; ESRI;

Section VI

Wells of Public Record Within One-Mile Area of Review.

API	Well Name	Well Type	Well Status	Operator Name	Latitude	Longitude	SPUD Date	Depth (ft)	Record of Completion	Devonian Penetration?
30-015-02207	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.55129	-104.141	Unknown	0	Unknown	Unknown
30-015-02420	PRE-ONGARD WELL #036	Oil	Plugged	Pre-ONGARD Well Operator	32.55245	-104.141	Unknown	0	Unknown	Unknown
30-015-02421	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.55728	-104.146	Unknown	0	Unknown	Unknown
30-015-02423	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.559	-104.131	Unknown	0	Unknown	Unknown
30-015-02427	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.55003	-104.133	Unknown	0	Unknown	Unknown
30-015-02540	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.56097	-104.138	Unknown	0	Unknown	Unknown
30-015-03653	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.55809	-104.115	Unknown	0	Unknown	Unknown
30-015-03654	PRE-ONGARD WELL #002	Oil	Plugged	Pre-ONGARD Well Operator	32.5608	-104.12	Unknown	0	Unknown	Unknown
30-015-03668	PRE-ONGARD WELL #003	Oil	Plugged	Pre-ONGARD Well Operator	32.54989	-104.099	Unknown	0	Unknown	Unknown
30-015-03669	PRE-ONGARD WELL #003	Oil	Plugged	Pre-ONGARD Well Operator	32.54538	-104.107	Unknown	0	Unknown	Unknown
30-015-03679	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.56079	-104.108	Unknown	0	Unknown	Unknown
30-015-10401	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.54623	-104.087	Unknown	0	Unknown	Unknown
30-015-10435	PRE-ONGARD WELL #002	Oil	Plugged	Pre-ONGARD Well Operator	32.54538	-104.113	Unknown	0	Unknown	Unknown
30-015-10794	STEBBINS DEEP FEDERAL #001	Oil	Plugged	HARVEY E YATES CO	32.54629	-104.109	1/1/1900	99,999	2/1/1984	No
30-015-10849	PRE-ONGARD WELL #002	Oil	Plugged	Pre-ONGARD Well Operator	32.54538	-104.113	Unknown	0	Unknown	Unknown
30-015-10854	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.54266	-104.108	Unknown	0	Unknown	Unknown
30-015-20002	PRE-ONGARD WELL #002	Oil	Plugged	Pre-ONGARD Well Operator	32.54175	-104.108	Unknown	0	Unknown	Unknown
30-015-20072	STEBBINS DEEP FEDERAL #004	SWD	Plugged	HARVEY E YATES CO	32.549	-104.107	7/18/1967	3,364	6/21/2002	No
30-015-21330	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.55366	-104.138	Unknown	0	Unknown	Unknown
30-015-21375	PRE-ONGARD WELL #005	Oil	Cancelled	Pre-ONGARD Well Operator	32.54657	-104.109	Unknown	0	Unknown	Unknown

API	Well Name	Well Type	Well Status	Operator Name	Latitude	Longitude	SPUD Date	Depth (ft)	Record of Completion	Devonian Penetration?
30-015-21387	BURTON FLATS SWD #001	SWD	Active	EOG RESOURCES INC	32.56075	-104.082	10/23/1974	12,000	1/16/2019	No
30-015-21465	PRE-ONGARD WELL #001	Oil	Plugged	Pre-ONGARD Well Operator	32.55083	-104.12	Unknown	0	Unknown	Unknown
30-015-24208	DORIS FEDERAL #001	Gas	Plugged	STRATA PRODUCTION CO	32.54271	-104.146	Unknown	99,999	Zone Plugged	No
30-015-24209	LEE FEDERAL #001	Gas	Active	COLGATE OPERATING, LLC	32.54362	-104.138	7/30/1982	99,999	4/1/1983	No
30-015-24349	LEE FEDERAL #002	SWD	Active	COLGATE OPERATING, LLC	32.54641	-104.129	12/05/1996	11,660	3/8/2017	No
30-015-24833	DORIS FEDERAL #002	Oil	Plugged	STRATA PRODUCTION CO	32.54216	-104.146	Unknown	99,999	12/10/2005	No
30-015-24866	PRE-ONGARD WELL #004	Oil	Plugged	Pre-ONGARD Well Operator	32.54304	-104.138	Unknown	0	Unknown	Unknown
30-015-24868	DORIS FEDERAL #003	Oil	Active	COLGATE OPERATING, LLC	32.54271	-104.142	7/11/1984	99,999	3/8/2017	No
30-015-24889	LEE FEDERAL #004Y	Oil	Active	COLGATE OPERATING, LLC	32.54304	-104.139	6/2/1984	99,999	3/8/2017	No
30-015-24891	LEE FEDERAL #006	Oil	Plugged	STRATA PRODUCTION CO	32.54243	-104.134	Unknown	99,999	4/15/2000	No
30-015-26888	PRE-ONGARD WELL #002	Oil	Plugged	Pre-ONGARD Well Operator	32.54541	-104.082	Unknown	0	Unknown	Unknown
30-015-27494	PRE-ONGARD WELL #002	Oil	Cancelled	Pre-ONGARD Well Operator	32.5582	-104.128	Unknown	0	Unknown	Unknown
30-015-28146	LEE FEDERAL #007	Oil	Active	COLGATE OPERATING, LLC	32.54641	-104.133	12/15/1994	7,940	3/8/2017	No
30-015-30862	LEE FEDERAL #008	Oil	Plugged	STRATA PRODUCTION CO	32.55094	-104.134	12/15/1999	3,504	12/28/1999	Unknown
30-015-31451	LEE FEDERAL #009	Oil	Active	COLGATE OPERATING, LLC	32.54912	-104.139	12/13/2000	5,680	3/8/2017	No
30-015-32204	LIBERTY 25 FEDERAL #001	Gas	Active	MEWBOURNE OIL CO	32.54824	-104.135	2/26/2002	11,729	4/14/2002	No
30-015-32552	SAND POUNDER FEDERAL #001	Gas	Plugged	MANZANO OIL CORP	32.54988	-104.095	Unknown	11,950	Cancelled	N/A
30-015-33471	PATRIOT 30 FEDERAL #001	Gas	Active	MEWBOURNE OIL CO	32.54179	-104.117	10/11/2004	11,887	1/1/2010	No
30-015-33884	OXY MAX FEDERAL #001C	Gas	Cancelled	OXY USA	32.55639	-104.134	Unknown	0	Cancelled	N/A
30-015-33900	VICTORY 26 FEDERAL #001	Gas	Active	MEWBOURNE OIL CO	32.55003	-104.142	03/06/2005	11,670	1/11/2008	
30-015-43137	LEE FEDERAL #021H	Oil	New	COLGATE OPERATING, LLC	32.54272	-104.124	Unknown	0	New, Not Completed	N/A
30-015-43142	LEE FEDERAL #022	Oil	New	COLGATE OPERATING, LLC	32.54641	-104.124	Unknown	0	New, Not Completed	N/A

API	Well Name	Well Type	Well Status	Operator Name	Latitude	Longitude	SPUD Date	Depth (ft)	Record of Completion	Devonian Penetration?
30-015-43151	LEE FEDERAL COM #023H	Oil	New	COLGATE OPERATING, LLC	32.549	-104.124	Unknown	0	New, Not Completed	N/A
30-015-43201	STEBBINS 20 FEDERAL #123H	Oil	Active	Matador Production Company	32.55625	-104.106	1/31/2017	7,990	4/25/2017	No
30-015-44167	STEBBINS 19 FEDERAL #204H	Oil	New	Matador Production Company	32.5523	-104.106	4/6/2019	0	5/13/2017	No
30-015-44168	STEBBINS 20 FEDERAL #113H	Oil	New	Matador Production Company	32.55629	-104.105	Unknown	0	New, Not Completed	N/A
30-015-44169	STEBBINS 20 FEDERAL #114H	Oil	New	Matador Production Company	32.55263	-104.105	Unknown	0	New, Not Completed	N/A
30-015-44170	STEBBINS 19 FEDERAL COM #123H	Oil	Active	Matador Production Company	32.55809	-104.107	10/19/2017	7,740	12/4/2017	No
30-015-44171	STEBBINS 19 FEDERAL COM #227H	Oil	New	Matador Production Company	32.55826	-104.107	Unknown	0	New, Not Completed	N/A
30-015-44172	STEBBINS 19 FEDERAL #124H	Oil	Active	Matador Production Company	32.55221	-104.106	12/12/2017	7,772	3/10/2018	No
30-015-44173	STEBBINS 19 FEDERAL COM #203H	Gas	New	Matador Production Company	32.55817	-104.107	5/16/2019	0	New, Not Completed	N/A
30-015-44174	STEBBINS 19 FEDERAL COM #127H	Oil	New	Matador Production Company	32.55789	-104.107	5/18/2019	0	New, Not Completed	N/A
30-015-44175	STEBBINS 20 FEDERAL #134H	Gas	Active	Matador Production Company	32.55271	-104.104	8/31/2017	9,210	11/18/2017	No
30-015-44177	STEBBINS 20 FEDERAL #204H	Gas	Active	Matador Production Company	32.55279	-104.105	7/16/2018	9,352	9/15/2018	No
30-015-44183	STEBBINS 20 FEDERAL #133H	Oil	Active	Matador Production Company	32.55645	-104.105	5/17/2017	0	7/15/2017	No
30-015-44184	STEBBINS 20 FEDERAL #203H	Oil	New	Matador Production Company	32.55654	-104.105	Unknown	0	Cancelled	N/A
30-015-44185	STEBBINS 20 FEDERAL #124H	Oil	Active	Matador Production Company	32.55226	-104.105	8/10/2017	8,006	11/18/2017	No
30-015-44186	STEBBINS 19 FEDERAL COM #128H	Oil	New	Matador Production Company	32.55238	-104.106	Unknown	0	New, Not Completed	N/A
30-015-44187	STEBBINS 19 FEDERAL #137H	Gas	New	Matador Production Company	32.5523	-104.106	4/4/2019	0	New, Not Completed	N/A
30-015-45983	LEATHERNECK 3029 FEDERAL COM #205H	Gas	New	Matador Production Company	32.54935	-104.122	Unknown	0	New, Not Completed	N/A

API	Well Name	Well Type	Well Status	Operator Name	Latitude	Longitude	SPUD Date	Depth (ft)	Record of Completion	Devonian Penetration?
30-015-45984	LEATHERNECK 3029 FEDERAL COM #206H	Gas	New	Matador Production Company	32.54751	-104.122	Unknown	0	New, Not Completed	N/A
30-015-45985	LEATHERNECK 3029 FEDERAL COM #221H	Gas	New	Matador Production Company	32.54943	-104.121	Unknown	0	New, Not Completed	N/A
30-015-45986	LEATHERNECK 3029 FEDERAL COM #136H	Oil	New	Matador Production Company	32.54751	-104.122	Unknown	0	Cancelled	N/A
30-015-45999	LEATHERNECK FEDERAL COM #121H	Oil	New	Matador Production Company	32.55009	-104.122	Unknown	0	New, Not Completed	N/A
30-015-46000	LEATHERNECK 3029 FEDERAL COM #125H	Oil	New	Matador Production Company	32.54742	-104.122	6/22/2019	0	New, Not Completed	N/A
30-015-46001	LEATHERNECK 3029 FEDERAL COM #135H	Oil	New	Matador Production Company	32.55001	-104.122	Unknown	0	New, Not Completed	N/A
30-015-46002	LEATHERNECK 3029 FEDERAL COM #126H	Oil	New	Matador Production Company	32.54742	-104.122	6/20/2019	0	New, Not Completed	N/A
30-015-46314	PATRIOT 30 26 WOCB FEDERAL COM #001H	Gas	New	MEWBOURNE OIL CO	32.55052	-104.115	Unknown	0	New, Not Completed	N/A

Section VII

1. Proposed daily rate and volume of fluids injected:
 - a. Average: 40,000 bwpd
 - b. Maximum: 45,000 bpd
2. Closed loop system
3. Injection pressure:
 - a. Average: 2,537 psi
 - b. Maximum: 2,537 psi
4. Injection fluid will be produced water, mainly from Bone Spring, Delaware and Wolfcamp wells.
5. There is no Devonian production within T20S, R29E, Eddy County, NM.

Section VIII

Geologic Formations

Formation	MD (ft)	TVD (ft)	Thickness (ft)	Lithology	Resource
Rustler Anhydrite	313	313	200	Anhydrite	Barren
Salado (Top of Salt)	513	513	240	Salt	Barren
Lamar (Base of Salt)	753	753	110	Carbonate	Barren
Yates	863	863	300	Sandstone	Barren
Seven Rivers	1,163	1,163	130	Sandstone	Barren
Capitan	1,293	1,293	1,840	Carbonate	Barren
Cherry Canyon	3,133	3,133	1,230	Sandstone	Oil/Natural Gas
Brushy Canyon	4,363	4,363	1,355	Sandstone	Oil/Natural Gas
Bone Spring Lime	5,718	5,718	717	Limestone	Oil/Natural Gas
1st Bone Spring Carbonate	6,435	6,435	457	Carbonate	Oil/Natural Gas
1st Bone Spring Sand	6,892	6,892	202	Sandstone	Oil/Natural Gas
2nd Bone Spring Carbonate	7,094	7,094	403	Carbonate	Oil/Natural Gas
2nd Bone Spring Sand	7,497	7,497	416	Sandstone	Oil/Natural Gas
3rd Bone Spring Carbonate	7,913	7,913	817	Carbonate	Oil/Natural Gas
3rd Bone Spring Sand	8,730	8,730	434	Sandstone	Oil/Natural Gas
Wolfcamp A	9,164	9,164	228	Shale	Oil/Natural Gas
Wolfcamp B	9,392	9,392	953	Shale	Oil/Natural Gas
Strawn	10,345	10,345	468	Carbonate	Oil/Natural Gas
Atoka	10,813	10,813	350	Carbonate	Oil/Natural Gas
Morrow	11,163	11,163	675	Shale	Oil/Natural Gas
Barnett	11,838	11,838	275	Shale	Oil/Natural Gas
Miss Lime	12,113	12,113	480	Limestone	Oil/Natural Gas
Woodford Shale	12,593	12,593	80	Shale	Oil/Natural Gas
Devonian	12,673	12,673	1,000	Carbonate	Barren
Montoya	13,673	13,673		Shale	Barren



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 03265 POD1	CUB	ED	1 1 3	20	20S	29E	584052	3602648*		89	52	37		
CP 00698 POD1	CP	ED	3 1 03	20S	29E	587393	3608010							
CP 00740	CP	ED	2 3 3	12	20S	29E	590669	3605509*		150				
CP 00743 POD1	CP	ED	2 4 05	20S	29E	585319	3607382*		160					
CP 00745 POD1	CP	ED	4 1 3	12	20S	29E	590653	3605782		232				
CP 00752 POD1	CP	ED	1 3 15	20S	29E	587293	3604181		2567					
CP 00759	CP	ED	4 2 28	20S	29E	586984	3601360*		205	90	115			
CP 00936 POD1	CP	ED	3 4 2	30	20S	29E	583661	3601238*		70	52	18		
CP 01201 POD1	CP	ED	2 2 1	18	20S	29E	582983	3605121		140	100	40		
CP 01202 POD1	CP	ED	4 4 3	26	20S	29E	589569	3600512		173	158	15		

Average Depth to Water: **90 feet**
 Minimum Depth: **52 feet**
 Maximum Depth: **158 feet**

Record Count: 10

Basin/County Search:

County: Eddy

PLSS Search:

Township: 20S **Range:** 29E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

Section IX

Well will be stimulated with acid.

Section X

Gamma ray logs and triple combos will be run through the injection interval.

Section XI

Chemical Analysis of Freshwater Wells in T20S, 29E, Eddy County, NM

<i>Well Name</i>	<i>API</i>	<i>Lat</i>	<i>Long</i>	<i>Sec</i>	<i>Formation</i>	<i>Sample Date</i>	<i>pH</i>	<i>TDS (mg/L)</i>	<i>Cl (mg/L)</i>	<i>Bicarb (mg/L)</i>	<i>SO4 (mg/L)</i>	<i>H2S (mg/L)</i>
SLINKARD UR FEDERAL COM #002	3001524722	32.58976	-104.048	11	STRAWN	10/5/2001	6.2		77532	244	12.5	0
SLINKARD UR FEDERAL #001	3001523698	32.58974	-104.039	11	STRAWN	12/24/2001	6.1	117276	72846	146	50	0
TRIGG AIN FEDERAL #001	3001526697	32.54624	-104.074	28	STRAWN	12/24/2001	6.1	90200.5	55380	244	12.5	0
SLINKARD UR FEDERAL COM #004	3001526762	32.59336	-104.031	12	STRAWN	12/24/2001	6.2	113541	69864	171	12.5	0
ZINNIA BKC FEDERAL #001	3001527939	32.54624	-104.069	27	DELAWARE/WOLFCAMP	12/24/2001	5.7	189739	116724	427	750	30
YATES FEDERAL #001	3001520008	32.52446	-104.091	32	STRAWN	3/17/1967	5.9	108466	66700	146	270	
YATES FEDERAL #001	3001520008	32.52446	-104.091	32	STRAWN	3/20/1967	5.9	99199	61300	146	180	
STATE #001	3001503625	32.59701	-104.044	2	MORROW			31170				
MCKEE #001	3001503642	32.58704	-104.047	11	ARTESIA			29411	14350	1578	2808	
MCKEE #001	3001503642	32.58704	-104.047	11	ARTESIA			28684	17030	61	612	
TEXACO FED #001	3001503645	32.57884	-104.031	13	ARTESIA			26017	12160	1622	3042	
TRIGOOD ST #001	3001510002	32.60441	-104.052	2	ARTESIA			23528	8526	2416	4466	
DOOLEY #001	3001510044	32.55317	-104.035	24	MORROW			11718	4466	1634	1441	
DOOLEY #001	3001510044	32.55317	-104.035	24	MORROW			31191	18540	188	1318	

Section XII: See letter on the following page

San Mateo Stebbins Water Management, LLC

One Lincoln Centre • 5400 LBJ Freeway • Suite 1500 • Dallas, Texas 75240
Voice 972.371.5200 • Fax 972.371.5201
jharrington@matadorresources.com

Jake Harrington
Senior Geologist

December 19, 2019

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

Re: Geology Statement
Bobby Watts Federal SWD #1
Section 30, T. 20S, R. 28E
Eddy County, New Mexico

To whom it may concern:

Available geologic and engineering data related to the proposed Well have been thoroughly reviewed, and no evidence for a hydrological connection between the proposed deep Devonian injection zone, located at approximately 12,673 ft., and any underground sources of drinking water has been found.

Sincerely,
San Mateo Stebbins Water Management, LLC



Jake Harrington

Section XIV: Proof of Notice

Copy of application has been mailed to each Interested Party within a one-mile AOR. See certified mail receipts on the following pages. Proof of publication in the Carlsbad Current Argus is also included below.

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1867 Karas Court
Concord, CA 94521

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NIKISKI AK 99635

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Total Postage & Fees	\$3.55	\$2.00



Sent To: Wendell Terry Welch
P.O. Box 8418
Nikiski, AK 99635

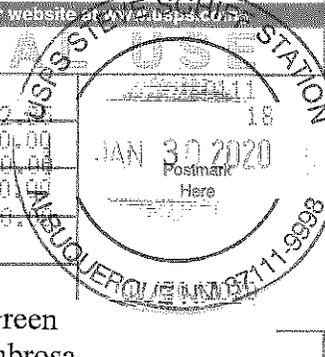
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TUCSON AZ 85750

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Sent To: Stacey Welch Green
5655 N. Via Umbrosa
Tucson, AZ 85750

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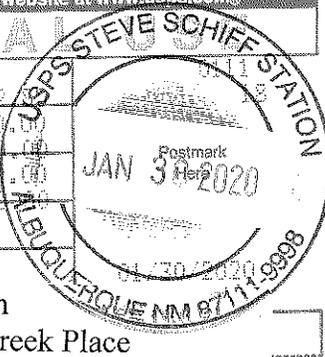
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Return Receipt Fee (Endorsement Required)	\$0.00	\$0.00
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Total Postage & Fees	\$3.55	\$2.00



Sent To: Bryan W. Welch
1764 S. Paige Creek Place
Tucson, AZ 85748

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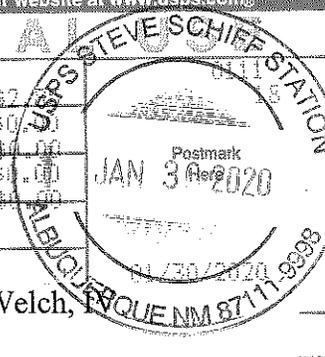
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LUBBOCK TX 79423

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Total Postage & Fees	\$3.55	\$2.00



Sent To: Phoebe Jane Welch,
3501 146th St.
Lubbock, TX 79423

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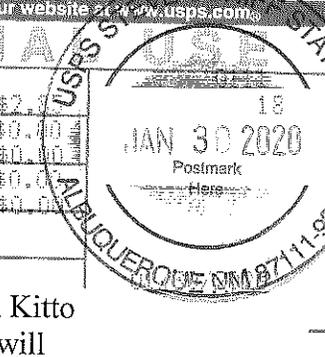
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2707 N. Flanwill
Tucson, AZ 85716

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5 Greenway Plaza, Suite 110
Houston, TX 77046

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186 Sierra View
Pasadena, CA 91105

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2705 Gaye Dr.
Roswell, NM 88201

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49730 Baun, Dr.
Kenai, AK 99611

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Adult Signature Required \$0.00

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Total Postage \$4.95

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PO Box 1176
Artesia, NM 88210

Postmark: **ALBUQUERQUE NM 87111-9998**
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5 Greenway Plaza, Suite 110
Houston, TX 77046

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Page 24 of 45
7019 2280 0001 3954 5576

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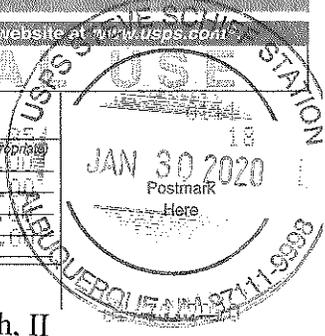
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Street and Apt.
City, State, ZIP

Van S. Welch, II
11111 Grant Rd.,
Stonegate Villas Unit 815
Cypress, TX 77429

PS Form 3800, April 2015 PSN 7530-02-000-9947



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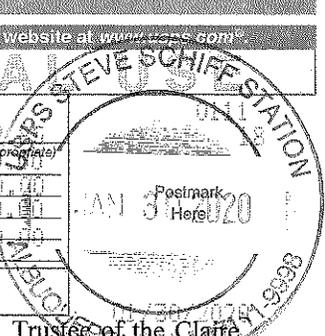
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City, State, ZIP

Pamela J. Burke, Trustee of the Clarie
Ann Iverson Revocable Living Trust
u/t/a dated November 22, 2005
3800 Kniffen Dr.
Midland, TX 79705

PS Form 3800, April 2015 PSN 7530-02-000-9947



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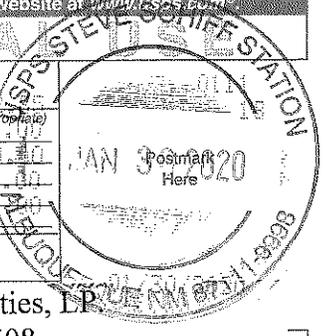
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Total Postage \$4.95

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F.L.G. Properties, LP
P.O. Box 10508
Midland, TX 79701

PS Form 3800



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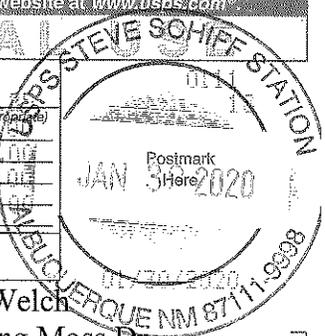
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Total Postage \$4.95

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Street and Apt.
City, State, ZIP

James Gary Welch
15714 Winding Moss Dr.
Houston, TX 77068

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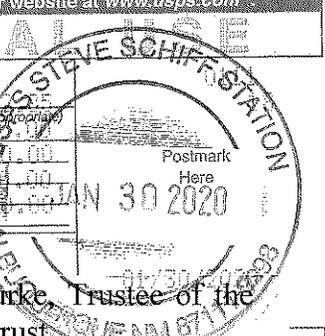
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Pamela J. Burke, Trustee of the
P.I.P. 1990 Trust
3800 Kniffen Dr.
Midland, TX 79705

PS Form 3800, April 2015 PSN 7530-02-000-9947



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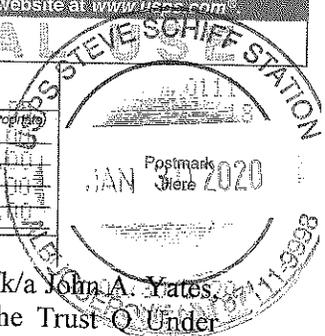
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Total Postage \$4.95

Sent To
Street and Apt.
City, State, ZIP

John A. Yates, a/k/a John A. Yates,
Sr., Trustee of the Trust O Under
Will of Peggy A. Yates, deceased
1108 S. Yates Dr.
Artesia, NM 88210

PS Form 3800, April 2015 PSN 7530-02-000-9947 See Reverse for Instructions



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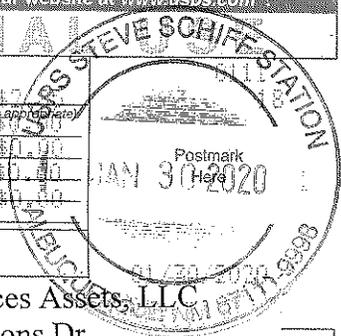
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5509 Champions Dr.
Midland, TX 79706



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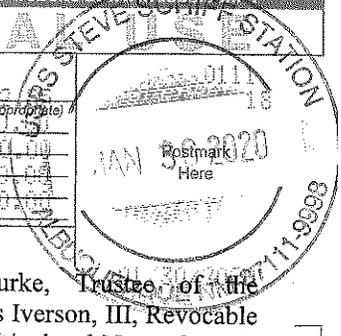
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Postage \$1.40

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Pamela J. Burke, Trustee, of the
Siegfried James Iverson, III, Revocable
Living Trust u/t/a dated November 22,
2005
3800 Kniffen Dr.
Midland, TX 79705



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Affidavit of Publication

Ad # 0003970184

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5647 JEFFERSON STREET NE

ALBUQUERQUE, NM 87109

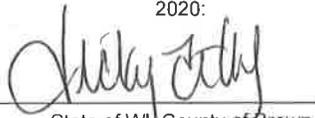
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

December 26, 2019



Legal Clerk

Subscribed and sworn before me this January 14, 2020:



State of WI | County of Brown
NOTARY PUBLIC

9-19-21

My commission expires



Ad # 0003970184
PO #:
of Affidavits: 1

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Legal Notice

San Mateo Stebbins Water Management, LLC is seeking administrative approval from the New Mexico Oil Conservation Division to dispose of saltwater into a new disposal well, Bobby Watts Federal Saltwater Disposal Well #1. The expected maximum injection rate is 45,000 bpd and the expected maximum pressure is 2,537 psi.

Bobby Watts Federal SWD #1 is located in Township 20S, Range 29E, Sec. 30, 1,944' FNL and 2,230' FWL, Eddy County, NM. The injection interval will be 12,673' to 13,523' TVD, in the Devonian formation.

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505 within 15 days. Additional information can be obtained by contacting Lara Thompson of SWCA Environmental Consultants at 5647 Jefferson Street NE, Albuquerque, NM 87109 or by calling (505)-254-1115.

Pub#3970184

Run: Dec. 26, 2019



FORM C-108 Technical Review Summary [Prepared by reviewer and included with application; V17]

DATE RECORD: First Rec: 9/1/20 Admin Complete: or Suspended: Add. Request/Reply:

ORDER TYPE: SWD Number: 2393 Order Date: Legacy Permits/Orders:

Well No. 1 Well Name(s): BOBBY WATTS FEDERAL SWD

API : 30-0 15-PENDING Spud Date: New or Old (EPA): New (UIC Class II Primacy 03/07/1982)

Footages 1944 FNL & 2230 FWL Lot F or Unit F Sec 30 Tsp 20S Rge 29E County EDDY

Latitude: 32.5463871 Longitude -104.1153316 Pool: SWD; Devonian-Silurian Pool No.: 97869

Operator: San Mateo Stebbins Water Mgt OGRID: 328762 Contact: Lara Thompson Email: lara.thompson@swca.com

COMPLIANCE RULE 5.9: Total Wells: 2 Inactive: 0 Fincl Assur: Yes Compl. Order? IS 5.9 OK? Date: 1/15/21

WELL FILE REVIEWED Current Status: new well

WELL DIAGRAMS: NEW: Proposed or RE-ENTER: Before Conv. After Conv. Logs in Imaging: N/A

Planned Rehab Work to Well: N/A

Table with columns: Well Construction Details, Sizes (in) Borehole / Pipe, Setting Depths (ft), Cement Sx or Cf, Cement Top and Determination Method. Rows include Surface, Interm/Prod, Prod/Liner, and OH / PERF.

Table with columns: Injection Lithostratigraphic Units, Depths (ft), Injection or Confining Units, Tops. Rows include Adjacent Unit, Confining Unit, Proposed Inj Interval TOP/BOTTOM, and another Confining Unit.

Completion/Operation Details: Drilled TD N/A PBDT N/A NEW TD 13663 NEW PBDT N/A NEW Open Hole NEW Perfs Tubing Size 7/5.5 in. Inter Coated? Yes Proposed Packer Depth 12583 ft Min. Packer Depth 12583 (100-ft limit) Proposed Max. Surface Press. 2537 psi Admin. Inj. Press. 2537 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P Noticed? BLM Sec Ord WIPP Noticed? Salt/Salado T: 513 B: 753 NW: Cliff House fm N/A

USDW: Aquifer(s) Rustler/Capitan Max Depth 3133 HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin: CAPITAN REEF: thru adj NA No. GW Wells in 1-Mile Radius? 1 FW Analysis? Yes

Disposal Fluid: Formation Source(s) BS/Delaware/Wolfcamp Analysis? No On Lease Operator Only Commercial

Disposal Interval: Inject Rate (Avg/Max BWPD): 40-45k Protectable Waters? No Source: History System: Closed or Open

HC Potential: Producing Interval? Formerly Producing? No Method: Logs DST/P&A/Other 2-Mi Radius Pool Map

AOR Wells: 1/2-M or ONE-M X RADIUS MAP/WELL LIST: Total Penetrating Wells: 0 [AOR Hor: 0 AOR SWDs: 0]

Penetrating Wells: No. Active Wells 0 No. Corrective? 0 on which well(s)? N/A Diagrams? N/A

Penetrating Wells: No. P&A Wells 0 No. Corrective? 0 on which well(s)? N/A Diagrams? N/A

Induced-Seismicity Risk Assess: analysis submitted historical/catalog review fault-slip model probability

NOTICE: 1/2-M or ONE-M : Newspaper Date 12/26/19 Mineral Owner* BLM Surface Owner BLM N. Date 1/30/20

RULE 26.7(A): Identified Tracts? Affected Persons*: EOG/Matador/COG/MRC/Yates/OXY/etc N. Date 1/30/20

* new definition as of 12/28/2018 [any the mineral estate of United States or state of New Mexico; SWD operators within the notice radius]

Order Conditions: Issues: Capitan Reef / No Induced Seismicity Evaluation /

Additional COAs: Submit all logs to OCD / CBL for TOC for Liner / BH pressure / Mug log to determine HC Potential

From: [Engineer, OCD, EMNRD](#)
To: [Lara Thompson](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); kparadis@blm.gov; [Walls, Christopher](#); [Goetze, Phillip, EMNRD](#); [Rose-Coss, Dylan H, EMNRD](#); [Lamkin, Baylen, EMNRD](#); [Murphy, Kathleen A, EMNRD](#)
Subject: Approved Administrative Order SWD-2393
Date: Friday, February 5, 2021 1:24:13 PM
Attachments: [SWD2393 Order.pdf](#)

The following order has been signed as approved by the Director and will soon be scanned along with the application and will be available on the Division's Imaging web site.

SWD-2393 San Mateo Stebbins Water Management, LLC Bobby Watts Federal SWD #1
30-015-Pending (Unit F, Sec 30, T20S, R29E) Federal surface/fee minerals

Please review the content of the order to ensure that you are familiar with the requirements and any conditions of approval. A copy of the order is attached. Please contact me with any questions regarding this matter.

Permittee: San Mateo Stebbins Water Management, LLC

OGRID No.: 328762

Well name: Bobby Watts Federal SWD No. 1

Surface location: 1,944 FNL & 2,230 FWL; Section 30; Township 20 South; Range 29 East, NMPM
(Lat: 32.5463871; Long: -104.1153316, NAD83)

Bottom hole location (if different):

Type of completion: Open Hole

Type of injection: Commercial Disposal

Injection fluid: Class II UIC (Produced Water)

Injection interval: 12,683 feet to 13,663 feet

Injection interval thickness (feet): 980 feet

Confining layer(s): Woodford Shale (upper) and Montoya (lower)

Prohibited injection interval(s): Any formation above or below the permitted injection interval including the Montoya formation and lost circulation intervals.

Liner, tubing, and packer set: 5.5-inch tubing within the 7.625-inch production liner and a packer set within 100 feet of the top of the injection interval.

Maximum daily injection rate: 45,000 BPD

Maximum surface injection pressure: 2,537 psi

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

ORDER

GRANTING UIC PERMIT SWD-2393

San Mateo Stebbins Water Management, LLC (“Applicant”) filed an Application for Authorization to Inject (Form C-108) (“Application”) with the New Mexico Energy, Minerals and Natural Resources Department, Oil Conservation Division (“OCD”) to inject produced water at the Applicant’s Bobby Watts Federal SWD No. 1 (“Well”), as more fully described in Appendix A.

THE OCD FINDS THAT:

1. Applicant provided the information required by 19.15.26 NMAC and the Form C-108 for an application to inject produced water into a Class II Underground Injection Control (“UIC”) well.
2. Applicant complied with the notice requirements of 19.15.26.8 NMAC.
3. No person filed a protest on the Application.
4. The Well will inject produced water into the Siluro-Devonian formation(s).
5. The produced water injected into the Well will be confined by layers above and below the approved injection interval.
6. No other UIC wells which inject or that are authorized to inject produced water into the same approved injection interval are permitted within 1.5 mile(s) of the Well.
7. Applicant affirmed in a sworn statement by a qualified person that it examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the approved injection interval and any underground sources of drinking water.
9. Applicant is in compliance with 19.15.5.9 NMAC.
10. Applicant agrees to the Terms and Conditions in the attached Permit.

THE DIVISION CONCLUDES THAT:

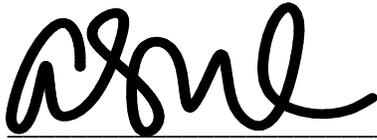
1. OCD has authority under the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, and its implementing regulations, 19.15.1 *et seq.* NMAC, and under the federal Safe

Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, to issue this permit for an UIC Class II injection well. *See* 40 CFR 147.1600.

2. Based on the information and representations provided in the Application, the proposed injection, if conducted in accordance with the Application and the terms and conditions of the attached Permit, (a) will not result in waste of oil and gas; (b) will not adversely affect correlative rights; (c) will protect underground sources of drinking water; and (d) will protect the public health and environment.
3. Applicant is authorized to inject subject to the terms and conditions of the Permit.

IT IS THEREFORE ORDERED THAT:

No. 1. The Applicant be granted UIC Permit SWD-2393 for Well Bobby Watts Federal SWD



ADRIENNE SANDOVAL
OCD DIRECTOR

Date: 2/05/2021

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

UIC CLASS II PERMIT SWD-2393

APPENDIX A – AUTHORIZED INJECTION

Permittee: San Mateo Stebbins Water Management, LLC

OGRID No.: 328762

Well name: Bobby Watts Federal SWD No. 1

Surface location: 1,944 FNL & 2,230 FWL; Section 30; Township 20 South; Range 29 East, NMPM (Lat: 32.5463871; Long: -104.1153316, NAD83)

Bottom hole location (if different):

Type of completion: Open Hole

Type of injection: Commercial Disposal

Injection fluid: Class II UIC (Produced Water)

Injection interval: 12,683 feet to 13,663 feet

Injection interval thickness (feet): 980 feet

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Liner, tubing, and packer set: 5.5-inch tubing within the 7.625-inch production liner and a packer set within 100 feet of the top of the injection interval.

Maximum daily injection rate: 45,000 BPD

Maximum surface injection pressure: 2,537 psi

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

UIC CLASS II PERMIT SWD-2393

Pursuant to the Oil and Gas Act, NMSA 1978, §§70-2-1 *et seq.*, (“Act”) and its implementing regulations, 19.15.1 *et seq.* NMAC, (“Rules”) and the federal Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, and its implementing regulations, 40 CFR 144 *et seq.*, the Oil Conservation Division (“OCD”) issues this Permit to San Mateo Stebbins Water Management, LLC (“Permittee”) to authorize the construction and operation of a well to inject produced water at the location and under the terms and conditions specified in this Permit and Appendix A.

I. GENERAL CONDITIONS

A. AUTHORIZATION

1. Scope of Permit. This Permit authorizes the injection of produced water into the well described on Appendix A (“Well”). Any injection not specifically authorized by this Permit is prohibited. Permittee shall be the “operator” of the Well as defined in 19.15.2.7(O)(5) NMAC.

a. Injection is limited to the approved injection interval described in Appendix A. Permittee shall not allow the movement of fluid containing any contaminant into an underground source of drinking water (“USDW”) if the presence of that contaminant may cause a violation of a Primary Drinking Water Regulation adopted pursuant to 40 CFR Part 142 or that may adversely affect the health of any person. [40 CFR 144.12(a)]

b. The wellhead injection pressure for the Well shall not exceed the value identified in Appendix A.

c. Permittee shall not commence to drill, convert, or recomplete the Well until receiving this approval and until OCD approves a Form C-101 Application for Permit to Drill (“APD”) pursuant to 19.15.14 NMAC or receives an approved federal Form 3160-3 APD for the Well. [40 CFR 144.11; 19.15.14.8 and 19.15.26.8 NMAC]

d. Permittee shall not commence injection into the Well until the Permittee complies with the conditions in Section I. C. of this Permit.

e. This Permit authorizes injection of any UIC Class II fluid or oil field waste defined in 19.15.2.7(E)(6) NMAC.

f. This Permit does not authorize injection for an enhanced oil recovery project as defined in 19.15.2.7(E)(2) NMAC.

2. Notice of Commencement. Permittee shall provide written notice on Form C-103 to OCD Engineering Bureau no later than two (2) business days following the date on which injection commenced into the Well. [19.15.26.12(B) NMAC]

3. Termination. Unless terminated sooner, this Permit shall remain in effect for a term of twenty (20) years beginning on the date of issuance. Permittee may submit an application for a new permit prior to the expiration of this Permit. If Permittee submits an application for a new permit, then the terms and conditions of this Permit shall remain in effect until OCD denies the application or grants a new permit.

a. This Permit shall terminate one (1) year after the date of issuance if Permittee has not commenced injection into the Well, provided, however, that OCD may grant a single extension of no longer than one (1) year for good cause shown. Permittee shall submit a written request for an extension to OCD Engineering Bureau no later than thirty (30) days prior to the deadline for commencing injection.

b. One (1) year after the last date of reported injection into the Well, OCD shall consider the Well abandoned, the authority to inject pursuant to this Permit shall terminate automatically, and Permittee shall plug and abandon the Well as provided in Section I. E. of this Permit. Upon receipt of a written request by the Permittee no later than one year after the last date of reported injection into the Well, OCD may grant an extension for good cause. [19.15.26.12(C) NMAC]

B. DUTIES AND REQUIREMENTS

1. Duty to Comply with Permit. Permittee shall comply with the terms and conditions of this Permit. Any noncompliance with the terms and conditions of this Permit, or of any provision of the Act, Rules or an Order issued by OCD or the Oil Conservation Commission, shall constitute a violation of law and is grounds for an enforcement action, including revocation of this Permit and civil and criminal penalties. Compliance with this Permit does not relieve Permittee of the obligation to comply with any other applicable law, or to exercise due care for the protection of fresh water, public health and safety and the environment. The contents of the Application and Appendix A shall be enforceable terms and conditions of this Permit. [40 CFR 144.51(a); 19.15.5 NMAC]

2. Duty to Halt or Reduce Activity to Avoid Permit Violations. Permittee shall halt or reduce injection to avoid a violation of this Permit or other applicable law. It shall not be a defense in an enforcement action for Permittee to assert that it would have been necessary to halt or reduce injection in order to maintain compliance with this Permit. [40 CFR 144.51(c)]

3. Duty to Mitigate Adverse Effects. Permittee shall take all reasonable steps to minimize, mitigate and correct any waste or effect on correlative rights, public health, or the environment resulting from noncompliance with the terms and conditions of this Permit. [40 CFR 144.51(d)]

4. Duty to Operate and Maintain Well and Facilities. Permittee shall operate and maintain the Well and associated facilities in compliance with the terms and conditions of this Permit. [40 CFR 144.51(e)]

5. Duty to Provide Information. In addition to any other applicable requirement, Permittee shall provide to OCD by the date and on the terms specified by OCD any information which OCD requests for the purpose of determining whether Permittee is complying with the terms and conditions of this Permit. [40 CFR 144.51(h)]

6. Private Property. This Permit does not convey a property right or authorize an injury to any person or property, an invasion of private rights, or an infringement of state or local law or regulations. [40 CFR 144.51(g)]

7. Inspection and Entry. Permittee shall allow OCD's authorized representative(s) to enter upon the Permittee's premises where the Well is located and where records are kept for the purposes of this Permit at reasonable times and upon the presentation of credentials to:

- a. Inspect the Well and associated facilities;
- b. Have access to and copy any record required by this Permit;
- c. Observe any action, test, practice, sampling, measurement or operation of the Well and associated facilities; and
- d. Obtain a sample, measure, and monitor any fluid, material or parameter as necessary to determine compliance with the terms and conditions of this Permit. [40 CFR 144.51(i)]

8. Certification Requirement. Permittee shall sign and certify the truth and accuracy of all reports, records, and documents required by this Permit or requested by OCD. [40 CFR 144.51(k)]

9. Financial Assurance. Permittee shall provide and maintain financial assurance for the Well in the amount specified by OCD until the Well has been plugged and abandoned and the financial assurance has been released by OCD. [40 CFR 144.52; 19.15.8.12 NMAC]

C. PRIOR TO COMMENCING INJECTION

1. Construction Requirements.

- a. Permittee shall construct the Well as described in the Application, Appendix A and as required by the Special Conditions.

b. Permittee shall construct and operate the Well in a manner that ensures the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

2. Tests and Reports. Permittee shall complete the following actions prior to commencing injection in the Well.

a. Permittee shall obtain and comply with the terms and conditions of an approved APD prior to commencing drilling of the Well, or other OCD approval, as applicable, prior to converting or recompleting the Well. If the APD is approved by the OCD, the Well shall be subject to the construction, testing, and reporting requirements of 19.15.16 NMAC.

b. Permittee shall circulate to surface the cement for the surface and intermediate casings. If cement does not circulate on any casing string, Permittee shall run a cement bond log ("CBL") to determine the top of cement, then notify the appropriate OCD district office and submit the CBL prior to continuing with any further cementing on the Well. If the cement did not tie back into next higher casing shoe, Permittee shall perform remedial cement action to bring the cement to a minimum of two hundred (200) feet above the next higher casing shoe.

c. If a liner is approved for the construction of the Well, Permittee shall run and submit to the appropriate OCD district office a CBL for the liner to demonstrate placement cement and the cement bond with the tie-in for the casing string.

d. Permittee shall submit to the appropriate OCD district office the mudlog, geophysical logs, and a summary of depths (picks) for the contacts of the formations demonstrating that only the permitted formation is open for injection. OCD may amend this Permit to specify the depth of the approved injection interval within the stratigraphic interval requested in the application. If Permittee detects a hydrocarbon show during the drilling of the Well, it shall notify OCD Engineering Bureau and obtain written approval prior to commencing injection into the Well.

e. Permittee shall obtain and submit to the appropriate OCD district office on a Form C-103 a calculated or measured static bottom-hole pressure measurement representative of the completion in the approved injection interval.

f. Permittee shall conduct an initial mechanical integrity test ("MIT") on the Well in compliance with the terms and conditions of this Permit and 19.15.26 NMAC, and shall not commence injection into the Well until the results of the initial MIT have been approved by the appropriate OCD district office. [19.15.26.11(A) NMAC]

g. OCD retains authority to require a wireline verification of the completion and packer setting depths in this Well. [19.15.26.11(A) NMAC]

D. OPERATION

1. Operation and Maintenance.

a. Permittee shall equip, operate, monitor and maintain the Well to facilitate periodic testing, assure mechanical integrity, and prevent significant leaks in the tubular goods and packing materials used and significant fluid movements through vertical channels adjacent to the well bore. [19.15.26.10(A) NMAC]

b. Permittee shall operate and maintain the Well and associated facilities in a manner that confines the injected fluid to the approved injection interval and prevents surface damage and pollution by leaks, breaks and spills. [19.15.26.10(B) NMAC]

c. OCD may authorize an increase in the maximum surface injection pressure upon a showing by the Permittee that such higher pressure will not result in the migration of the disposed fluid from the approved injection interval or induced seismicity. Such proper showing shall be demonstrated by sufficient evidence, including an acceptable step-rate test.

d. If OCD has reason to believe that operation of the Well may have caused or determined to be contributing to seismic activity, Permittee shall, upon OCD's written request:

i. Take immediate corrective action, which could include testing and evaluating of the injection interval and confining layers; suspending or reducing of the rate of injection or maximum surface injection pressure, or both; and providing increased monitoring of the Well's operation; and

ii. Submit a remedial work plan or an application to modify the Permit to implement the corrective action, plug back the injection interval, or incorporate another modification required by OCD.

OCD may approve the remedial work plan, modify the Permit or issue an emergency order or temporary cessation order as it deems necessary.

2. Pressure Limiting Device.

a. The Well shall be equipped with a pressure limiting device, which is in workable condition and can be tested for proper calibration at the well site, that shall limit surface tubing pressure to the maximum surface injection pressure specified in Appendix A.

b. Permittee shall test the pressure limiting device and all gauges and other metering requirement to ensure their accuracy and proper function no less than every five (5) years.

3. Mechanical Integrity. Permittee shall conduct a MIT prior to commencing injection, at least every five (5) years after the date of the previous MIT, and whenever the tubing is removed or replaced, the packer is reset, mechanical integrity is lost, Permittee proposes to transfer the Well, or requested by OCD.

a. MITs shall be conducted in accordance with 19.15.26 NMAC.

b. Permittee shall submit a sundry notice on Form C-103 of intent to install or replace injection equipment or conduct a MIT no later than three (3) business days prior to the event.

c. Permittee shall report the result of a MIT no later than two (2) business days after the test.

d. Permittee shall cease injection and shut-in the Well no later than twenty-four (24) hours after discovery if:

i. The Well fails a MIT; or

ii. Permittee observes conditions at the Well that indicate the mechanical failure of tubing, casing, or packer.

e. Permittee shall take all necessary actions to address the effects resulting from the loss of mechanical integrity in accordance with 19.15.26.10 NMAC.

f. Permittee shall conduct a successful MIT pursuant to 19.15.26.11 NMAC, including written approval from OCD prior to recommencing injection and the requirements contained in Section I G.3.

4. Additional Tests. Permittee shall conduct any additional test requested by OCD, including but not limited to step-rate tests, tracer surveys, injection surveys, noise logs, temperature logs, and casing integrity logs [19.15.26.11(A)(3) NMAC]

5. Records.

a. Permittee shall retain a copy of each record required by this Permit for a period of at least five (5) years and shall furnish a copy to OCD upon request. [40 CFR 144.51(h)]

b. Permittee shall retain a record of each test, sample, measurement, and certification of accuracy and function collected for the Well, including:

- i. Date, location, and time of sample, measurement or calibration;
- ii. Person who conducted the sample event, -measurement or calibration;
- iii. Calibration of gauge or other equipment in accordance with the manufacturer's specifications;
- iv. Description of method and procedures;
- v. Description of handling and custody procedures; and
- vi. Result of the analysis.

E. PLUGGING AND ABANDONMENT

1. Upon the termination of this Permit, Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.
2. If Permittee has received an extension pursuant to Section I. A. 2. b., Permittee shall apply for approved temporary abandonment pursuant to 19.15.25 NMAC.
3. If this Permit expires pursuant to 19.15.26.12 NMAC and OCD has not issued a new permit, then Permittee shall plug and abandon the Well and restore and remediate the location in accordance with 19.15.25 NMAC.
4. Permittee's temporary abandonment of the Well shall not toll the abandonment of injection in accordance with 19.15.26.12(C) NMAC.

F. REPORTING

1. **Monthly Reports.** Permittee shall submit a report using Form C-115 using the OCD's web-based online application on or before the 15th day of the second month following the month of injection, or if such day falls on a weekend or holiday, the first workday following the 15th, with . the number of days of operation, injection volume, and injection pressure. [19.15.26.13 NMAC; 19.15.7.24 NMAC]
2. **Corrections.** Permittee shall promptly disclose to OCD any incorrect information in the Application or any record required by this Permit and submit corrected information. [40 CFR 144.51(h)(8)]

G. CORRECTIVE ACTION

1. Releases. Permittee shall report any unauthorized release of injection fluid at the Well or associated facilities in accordance with 19.15.29 and 19.15.30 NMAC.

2. Failures and Noncompliance. Permittee shall report the following incidents to appropriate OCD district office verbally and by e-mail no later than 24 hours after such incident:

a. Any mechanical integrity failures identified in Section I. D. 3. d;

b. The migration of injection fluid from the injection interval [19.15.26.10 NMAC]; or

c. A malfunction of the Well or associated facilities that may cause waste or affect the public health or environment, including: (a) monitoring or other information which indicates that a contaminant may affect a USDW; or (b) noncompliance or malfunction which may cause the migration of injection fluid into or between USDWs. [40 CFR 144.51(1)(6)]

3. Corrective Action. Permittee shall submit a written report describing the incident in Sections I.G.1 or I.G.2, including a corrective active plan, no later than five (5) calendar days after discovery of the incident. [40 CFR 144.51(1)(6)] For an unauthorized release, Permittee also shall comply with the site assessment, characterization and remediation requirements of 19.15.29 and 19.15.30 NMAC.

4. Restriction or Shut-In. OCD may restrict the injected volume and pressure or shut-in the Well if OCD determines that the Well has failed or may fail to confine the injected fluid to the approved injection interval or has caused induced seismicity until OCD determines that Permittee has identified and corrected the failure. [19.15.26.10(E) NMAC]

H. PERMIT CHANGES

1. Transfer. This Permit shall not be transferred without the prior written approval of OCD. Permittee shall file Form C-145 for a proposed transfer of the Well. OCD may require, as a condition of approving the transfer, that this Permit be amended to ensure compliance and consistency with applicable law. If the Well has not been spud prior to the transfer, the OCD may require that the new operator reapply and submit to the OCD a new Form C-108 prior to constructing and injecting into the well. [19.15.26.15 NMAC; 19.15.9.9 NMAC]

2. Insolvency. Permittee shall notify OCD Engineering Bureau of the commencement of a voluntary or involuntary proceeding in bankruptcy which names Permittee or an entity which operates the Well on behalf of Permittee as a debtor no later than ten (10) business days after the commencement of the proceeding.

3. OCD Authority to Modify Permit and Issue Orders

a. The OCD may amend, suspend, or revoke this Permit after notice and an opportunity for hearing if it determines that:

- i. The Permit contains a material mistake;
- ii. Permittee made an incorrect statement on which OCD relied to establish a term or condition of the Permit or grant this Permit;
- iii. this Permit must be amended to ensure compliance and consistency with applicable law, including a change to the financial assurance requirements;
- iv. The Well's operation may affect the water quality of fresh water;
- v. Injected fluid is escaping from the approved injection interval;
- vi. Injection may be caused or contributed to seismic activity:
or
- vii. Injection may cause or contribute to the waste of oil, gas or potash resources or affect correlative rights, public health, or the environment.

b. OCD retains jurisdiction to enter such orders as it deems necessary to prevent waste and to protect correlative rights, protect public health, and the environment.

c. OCD retains jurisdiction to review this Permit as necessary and no less than once every five (5) years, and may determine whether this Permit should be modified, revoked and reissued, or terminated. [40 CFR 144.36(a)]

4. Permittee Request to Modify Permit. Permittee may apply to modify the terms of this Permit.

a. **Minor Modifications.** OCD may make a minor modification to this Permit without notice and an opportunity for hearing for:

- i. Non-substantive changes such as correction of typographical errors;
- ii. Requirements for more frequent monitoring or reporting;
- iii. Changes to the Well construction requirements provided that any alteration shall comply with the conditions of the Permit and

does not change the Area of Review considered in the application for the Permit;

- iv. Amendments to the plugging and abandonment plan;
- v. Changes in the types of fluids injected which are consistent with sources listed in the application for the Permit and do not change the classification of the Well;
- vi. Corrections of the actual injection interval if within the approved formation; or
- vii. Transfer of a Permit for a Well that has been spud. [40 CFR 144.41]

b. **Major Modifications.** OCD shall require notice and an opportunity for hearing for any modification that is not minor. For such modifications, Permittee shall submit Form C-108 and comply with the notice requirements of 19.15.26 NMAC.

II. SPECIAL CONDITIONS

There are no special conditions for this permit.

III. ATTACHMENT

Well Completion Diagram as Provided in the Application

Side 1

INJECTION WELL DATA SHEET

OPERATOR: San Mateo Stebbins Water Management, LLC

WELL NAME & NUMBER: Bobby Watts Federal SWD #1

WELL LOCATION: 1944FNL, 2230 FWL F 30 20S 29E
 FOOTAGE LOCATION UNIT LETTER SEC TWNSHP RANGE

WELLBORE SCHEMATIC

WELL: Bobby Watts Fed SWD #1		PROSPECT: Devonian SWD						
GL ELEV : 3234' RKB ELEV : 3282.5'		Surface Hole Location : 1944' FNL & 2230' FWL Sec. 30, TWP 20-S, RGE 29-E Eddy County, NM						
Formation Tops (TVD @ 0' VS)	MW (PPG)	Directional and BHA Details	CASING DIAGRAM	Depth (MD)	Hole	Casing & Cement Details 36" Conductor @ ± 80' GL	Logs/Notes	
	8.4-8.8 FW			338'	32"	Surf. Csg Cmt: (50% OH excess) Tail: 300' critical Total Sacks Cement: 750 26", 202.3#, X-60, Franks DDS		
Rustler @ 313' Salado @ 513' Base of Salt @ 753' Yates @ 863' Seven Rivers @ 1163'	10.0-10.4 Sat. Brine			1,200'	24"	Int. 1 Csg Cmt: (50% OH excess) Lead: Circulate to surface Tail: 300' critical Total Sacks Cement: 1040 20", 106.5#, J-55, BTC		
Capitan @ 1293'	8.4-8.8 FW			3,300'	17-1/2"	Int. 2 Csg Cmt: (50% OH excess) Lead: Circulate to surface Tail: 20% critical Total Sacks Cement: 1970 13-3/8", 68#, J-55, BTC	• Optional: DV/Packer Tool @ 1250' (50' outside shoe) with 2-stage Cement Job	
Bell/Cherry Canyon @ 3133'	8.4-9.4 Cut Brine			9,300'	12-1/4"	Int. 3 Csg Cmt: (35% OH excess) Lead: Circulate to surface Tail: 8,300' Total Sacks Cement: 1840 9-5/8", 40#, P-110HC, BTC		
Brushy Canyon @ 4383'				12,683'	8-3/4"	Prod Csg Cmt: Tail: 8,800' (10% OH excess, subject to change based on fluid caliper) Total Sacks Cement: 370 Liner Hanger 7-5/8", 33.7#, P-110HC, USS Liberty FJM, 8,800' - TD Liner		
Bone Spring Lime @ 5718'	9.5-12 Mud				8-1/2"	Tubing: Permanent Packer @ 12,583' (Packer must be set within 100' of casing shoe) 7", 26#, P-110, BTC, Fiberglass Lined, 0 - 8,700' 5-1/2", 20#, P-110IC, BTC, IPC or Fiberglass Lined, 8,700' - 12,583'		
1 st Bone Spring Sand @ 8892' 2 nd Bone Spring Carb @ 7094' 2 nd Bone Spring Sand @ 7497' 3 rd Bone Spring Carb @ 7913' 3 rd Bone Spring Sand @ 8730' Wolfcamp @ 9164'								
Wolfcamp B @ 9392'								
Strawn @ 10345' Atoka @ 10813' Morrow @ 11183' Barnett @ 11838' Miss Lime @ 12113' Woodford Shale @ 12593'								
Devonian Carb @ 12873'								
Montoya @ 13673'								
Prepared By: BAH - 12/4/2019				13,663'				

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 9938

CONDITIONS OF APPROVAL

Operator: SAN MATEO STEBBINS WATER MANAG Ste. 1500 Dallas, TX75240	5400 LBJ Freeway	OGRID: 328762	Action Number: 9938	Action Type: C-108
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OCD Reviewer	Condition
dmcclore	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.