

**R. T. HICKS CONSULTANTS, LTD.**

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Since 1996

March 19, 2021

Mr. Mike Bratcher  
 NMOCD District II  
 811 S. First St.  
 Artesia, NM 88210  
 Via E-Mail

Ms. Victoria Venegas  
 NMOCD District II  
 811 S. First St.  
 Artesia, NM 88210  
 Via E-Mail

RE – Financial Assurance Cost Estimate  
 Longhorn Containment. Lea County, Submitted to OCD 4/24/20

Dear Ms. Venegas:

On behalf of Solaris Water Midstream LLC, we are pleased to present the cost estimate for closure and reclamation for the above-referenced containment, which was prepared by Solaris. The current cost for reclamation is 60% lower than 12-18 months ago and reflects the impact of a lower oil price and significantly less construction activity in the Permian Basin of New Mexico. Hicks Consultants contends that this facility will be closed in five or ten years when oil and gas activity is similar to current conditions. We believe the estimate using current pricing as shown is fully appropriate for the time of closure.

| ITEM NO. | ITEM DESCRIPTION                         | UNITS | QTY | UNIT PRICE  | TOTAL PRICE         |
|----------|--|-------|-----|-------------|---------------------|
|          | <b>Longhorn Recycle facility</b>         |       |     |             |                     |
| 1        | Dirt work/Pond reclamation               | 1     | 1   | \$60,000.00 | \$60,000.00         |
| 2        | Liner Removal and Disposal               | 1     | 1   | \$40,000.00 | \$40,000.00         |
| 3        | Removal of Game Fence                    | 1     | 1   | \$9,200.00  | \$9,200.00          |
| 4        | Re-seed                                  | 1     | 1   | \$4,500.00  | \$4,500.00          |
| 5        | Water                                    | 1     | 1   | \$4,000.00  | \$4,000.00          |
| 9        | Remove Pumps, piping, and equipment      | 1     | 1   | \$1,500.00  | \$1,500.00          |
| 11       | Assess soil for impacts                  | 1     | 1   | \$2,500.00  | \$2,500.00          |
|          | <b>Facility Decommission and Reclaim</b> |       |     |             |                     |
|          | <b>Site Subtotal:</b>                    |       |     |             | <b>\$121,700.00</b> |

We are proposing a \$125,00 bond for closure. Please contact me if you have any questions.

Sincerely,  
 R.T. Hicks Consultants



Randall T. Hicks  
 Principal

Copy: Solaris Water Midstream LLC

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
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**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 21506

**CONDITIONS OF APPROVAL**

|   |  |  |                  |                         |                        |
|---|--|--|------------------|-------------------------|------------------------|
| Operator:<br>SOLARIS WATER MIDSTREAM, LLC      907 Tradewinds Blvd, Suite B      Midland, TX79706 |  |  | OGRID:<br>371643 | Action Number:<br>21506 | Action Type:<br>C-147L |
| OCD Reviewer  |  |  | Condition        |                         |                        |
| vvenegas  |  |  | None             |                         |                        |