

RECEIVED: 5/20/19	REVIEWER:	TYPE: SWD	APP NO: PLEL 191434 7367
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: LilyStream Water Solutions, LLCOGRID Number: 373500Well Name: Bonds SWD #1API: 30-015-xxxxxPool: Proposed: SWD; Devonian-SilurianPool Code: 97869

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☒ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☒ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☒ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Joel Lowry

Print or Type Name

Signature

5/3/2019

Date

432-466-4450

Phone Number

joel@lowryenvironmental.com

e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. **PURPOSE:** Secondary Recovery Pressure Maintenance XXX Disposal Storage
Application qualifies for administrative approval? XXX Yes No
- II. **OPERATOR:** LilyStream Water Solutions, LLC
ADDRESS: 1308 West Ave. N, Lovington, NM, 88260
CONTACT PARTY: Joel Lowry **PHONE:** 432-466-4450

- III. **WELL DATA:** *Complete the data required on the reverse side of this form for each well proposed for injections.
Additional sheets may be attached if necessary.*

Applicable Well Data is provided as Attachment #1.

- IV. *Is this an expansion of an existing project?* Yes XXX No
If yes, give the Division order number authorizing the project: N/A

- 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.*

A map identifying all wells and leases within a two mile radius is provided as Figure 1 in Attachment #2.

A map identifying all wells and leases within the one-mile expanded Area of Review is provided as Figure 2 in Attachment #2.

- 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.*

A tabulation of data on all wells of public record within the expanded area of review which penetrate the proposed injection zone is provided as Attachment #3.

- 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.).*

Proposed operation details are provided as Attachment #4.

Analysis from source zone produced water is provided as Attachment #4a.

Analysis from injection zone produced water is provided as Attachment #4b.

- *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.*

Geological data on the proposed injection zone is provided as Attachment #5.

- IX. *Describe the proposed stimulation program, if any.*

Acid may be utilized to clean and open the formation in accordance with industry standards, as necessary.

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

As this is a new drill, logging and test data is not available. Well Log and test data will be filed with the NMOCD upon completion of the well. NMOCD District I Office will be notified prior to conducting MIT.

***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.*

A map depicting fresh water wells within a one mile radius and associated chemical analysis, if applicable, is provided as Attachment #6.

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 one and any underground sources of drinking water.*

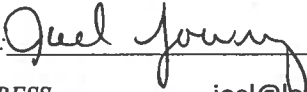
An Affirmative Statement is provided as Attachment #7.

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

"Proof of Notice" documentation is provided as Attachment #8.

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

NAME: Joel Lowry **TITLE:** Agent of Lilystream Water Solutions, LLC

SIGNATURE: 

EMAIL ADDRESS: joel@lowryenvironmental.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 submitte _____

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

ATTACHMENT #1

Well Data

Attachment #1

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) **General Well Information**
- | | |
|-----------------------|---|
| Operator | LilyStream Water Solutions, LLC |
| Lease Name & Well No. | Bonds SWD #1 |
| Location | 20' FSL & 850' FWL, UL M, Sec. 20, T21S, R28E |
- (2) **Casing Information**
- | String | Size (in.) | Grade | Weight | Setting Depth (ft bgs) | Cement (sx) | Hole Size (in.) | Estimated Top of Cement | Method of Determination |
|----------------|------------|-------|-------------|------------------------|-------------|-----------------|-------------------------|-------------------------|
| Surface | 20 | J-55 | 94.0 lb/ft. | 400 | 1,100 | 26 | Surface | Circulation |
| Intermediate 1 | 13.375 | P-110 | 80.7 lb/ft | 3,200 | 1,824 | 17.5 | Surface | Circulation |
| Production | 9.625 | P-110 | 53.5 lb/ft. | 9,670 | 1,644 | 12.25 | Surface | Circulation |
| Liner | 7.625 | P-110 | 39.0 lb/ft. | 9370 to 12803 | 360 | 8.5 | 9370' (TOL) | CBL |
- (3) **Description of Tubing**
- | Size | Weight | Lining Material | Setting Depth (ft.) |
|------|------------|-------------------------|---------------------|
| 5.5" | 23.0 lb/ft | Internal Plastic Coated | 9,310 |
| 5" | 18.0 lb/ft | Internal Plastic Coated | 12,703 |
- (4) **Packer Information**
- | Type | Setting Depth (ft.) |
|------------------------|---------------------|
| LOK-SET™ or Equivalent | 12,703 |

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) **Injection Information**
- | | |
|------------------------------|-----------------------------------|
| Name of Injection Formation: | Devonian-Silurian |
| Injection Interval: | 12803 to 13753 ft. |
| Perforated or Open-Hole: | Open Hole |
| Purpose of Well: | New Drill for Salt Water Disposal |
| Other Perforated Intervals: | None |
- (5) **Estimated Depth of Various Formations Including Oil and Gas Zones (ft. bgs)**
- | | |
|-------------------|--------|
| T. Salt | 440 |
| T. Capitan | 1,120 |
| T. Delaware | 2,920 |
| T. Bone Spring | 5,761 |
| T. Wolfcamp | 9,370 |
| T. Strawn | 10,510 |
| T. Atoka | 10,900 |
| T. Morrow | 11,365 |
| T. Barnett | 12,132 |
| T. Woodford Shale | 12,713 |
| T. Devonian | 12,803 |
| T. Montoya | 13,753 |

There are no known oil and gas zones beneath the proposed injection zone.

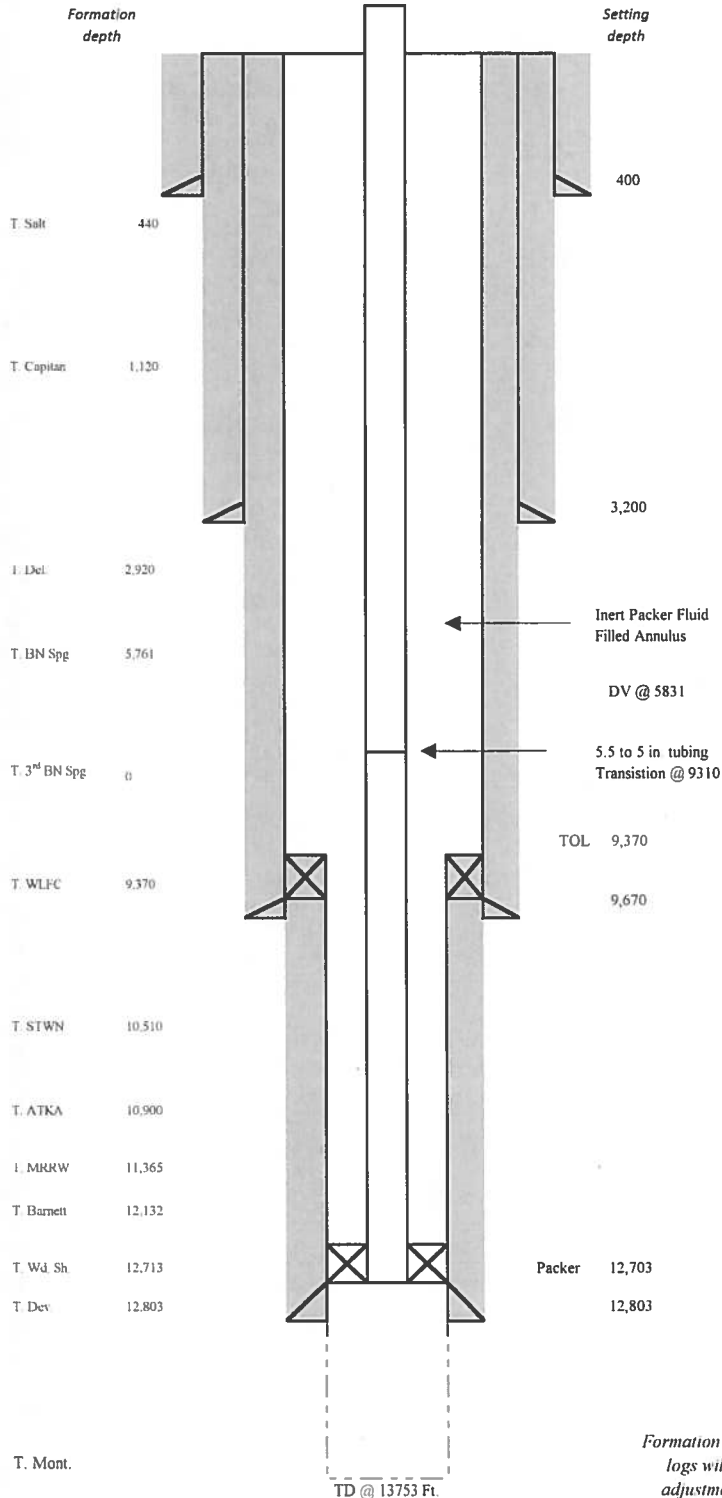
INJECTION WELL DATA SHEET

OPERATOR: LilyStream Water Solutions, LLC

WELL NAME & NUMBER: Bonds SWD #1

WELL LOCATION	20' FSL	& 850' FWL	M	20	21S	28E
	FOOTAGE LOCATION		UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC



Not to Scale

WELL CONSTRUCTION DATA

Surface Casing

Hole Size 26 in. Casing Size: 20 in.
 Setting Depth: Surface ft. to 400 ft.
 Cemented with: 1100 sx. or ft³
 Top of Cement: Surface Method Determined Circulation

1st Intermediate Casing

Hole Size 17.5 in. Casing Size: 13.375 in.
 Setting Depth: Surface ft. to 3,200 ft.
 Cemented with: 1824 sx. or ft³
 Top of Cement: Surface Method Determined Circulation

Production Casing

Hole Size 12.25 in. Casing Size: 9.625 in.
 Setting Depth: Surface ft. to 9,670 ft.
 Cemented with: 1644 sx. or ft³
 Top of Cement: Surface Method Determined Circulation

Liner

Hole Size 8.5 in. Casing Size: 7.625 in.
 Setting Depth: 9,370 ft. to 12,803 ft.
 Cemented with: 360 sx. or ft³
 Top of Cement: 9370 TOL Method Determined CBL

Open Hole Injection Interval

12,803 ft. to 13,753 ft

Formation tops have been extrapolated from control wells in the vicinity. During drilling activities, mud and other logs will be utilized to confirm depths and thicknesses of geologic formations. Should logging data indicate adjustments are required to the casing and cement program, applicable Sundry Notices will be filed with the NMOCD.

INJECTION WELL DATA SHEET

Tubing Size: 5.5" tapered to 5" Lining Material: Internal Plastic Coated (ICP)
Type of Packer: LOK-SET™ or Equivalent
Packer Setting Depth: 12,703 Ft.
Other Type of Tubing/Casing Seal (if applicable): Not Applicable

Additional Data

1. Is this a new well drilled for injection? XXX Yes No
If no, for what purpose was the well originally drilled? N/A
2. Name of the Injection Formation: Devonian-Silurian
3. Name of Field or Pool (if applicable): SWD; Devonian-Silurian
4. Has the well ever been perforated in any other zones (s) List all such perforated intervals and give plugging detail, i.e. sacks of cement or plugs(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:

<i>name</i>	<i>depth</i>
T. Salt	440
T. Capitan	1,120
T. Delaware	2,920
T. Bone Spring	5,761
T. Wolfcamp	9,370
T. Strawn	10,510
T. Atoka	10,900
T. Morrow	11,365
T. Barnett	12,132
T. Woodford	12,713
T. Devonian	12,803
T. Montoya	13,753

There are no known oil and gas zones underlying the proposed injection interval

ATTACHMENT #2

Figure 1 - 2-Mile Area of Review Map

Figure 2 - 1-Mile Area of Review Map

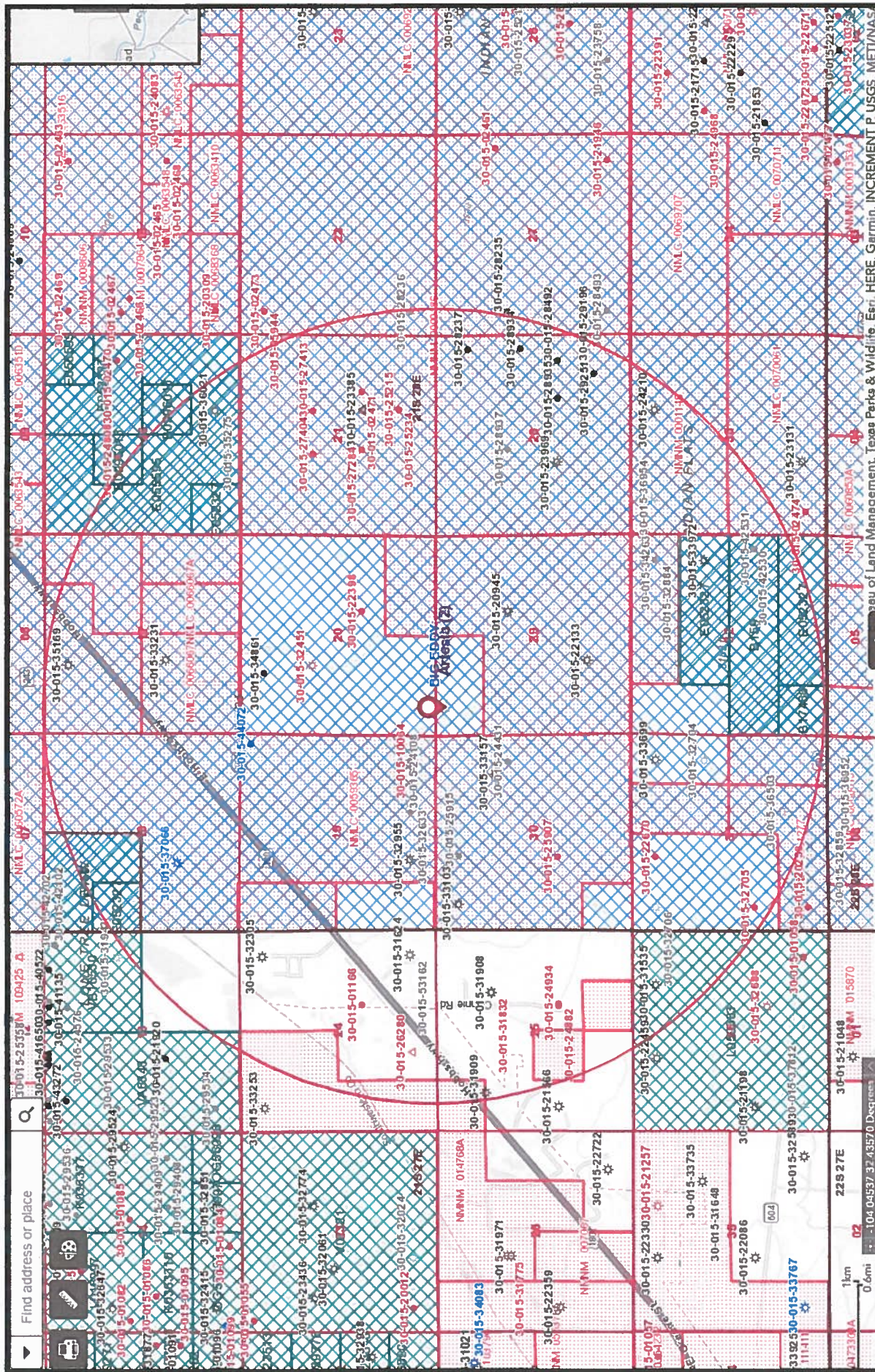


Figure 1 - 2-Mile Area of Review Map

LilyStream Water Solutions, LLC

Bonds SWD #1

API No. Pending

Legals: UL M, Sec. 20,T21S, R28E

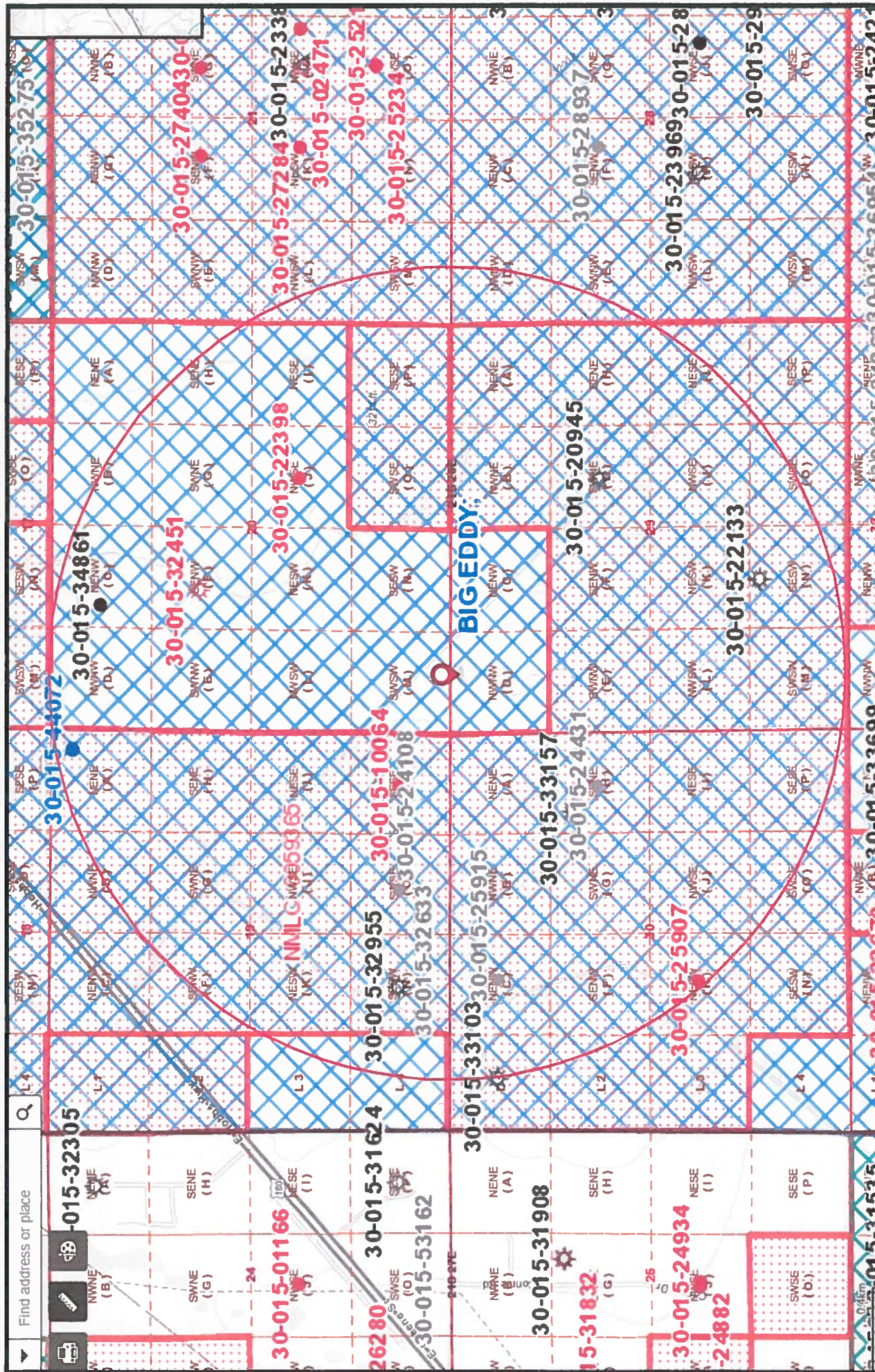
Eddy County, New Mexico

Drafted by: jwl Checked by: client Date: 2/11/2019

LEGEND:

Proposed SWD Location

2-Mile Radius



LEGEND:

- Proposed SWD Location
- 1-Mile Radius

Figure 2 - 1-Mile Area of Review Map

LilyStream Water Solutions, LLC

Bonds SWD #1

API No. Pending

Legals: UL M, Sec. 20, T21S, R28E

Eddy County, New Mexico

LOWRY

environmental

Drafted by: jwl Checked by: client Date: 2/11/2019

ATTACHMENT #3

Tabulation of Data Wells within AOR

Summary of Wells within AOR and Surrounding Vicinity									
API No.	Well Name	Type	Status	Section	Township	Range	Unit Letter	OCRID Name	Pool ID
30-015-10064	PRE-ONGARD WELL #002	Oil	Plugged (Site Released)	19	21S	28E	P	PRE-ONGARD WELL OPERATOR	No Data
30-015-20945	BIG EDDY UNIT #039	Gas	Active	29	21S	28E	G	BOPCO, L.P.	[71640] BASS, MORROW (GAS)
30-015-22133	BIG EDDY #054	Gas	Active	29	21S	28E	N	BOPCO, L.P.	[71640] BASS, MORROW (GAS); [79070] INDIAN FLATS, ATOKA, WEST (GAS)
30-015-22398	BIG EDDY UNIT #060	Oil	Plugged (Site Released)	20	21S	28E	J	BOPCO, L.P.	[24300] FENTON, BONE SPRING
30-015-22670	PRE-ONGARD WELL #065	Oil	Plugged (Site Released)	31	21S	28E	C	PRE-ONGARD WELL OPERATOR	No Data
30-015-23969	BIG EDDY UNIT #087	Gas	Active	28	21S	28E	K	BOPCO, L.P.	[79070] INDIAN FLATS, ATOKA, WEST (GAS)
30-015-24108	PRE-ONGARD WELL #091	Oil	Cancelled APD	19	21S	28E	O	PRE-ONGARD WELL OPERATOR	No Data
30-015-24431	PRE-ONGARD WELL #091	Oil	Cancelled APD	30	21S	28E	H	PRE-ONGARD WELL OPERATOR	No Data
30-015-25907	PRE-ONGARD WELL #102	Oil	Plugged (Site Released)	30	21S	28E	K	PRE-ONGARD WELL OPERATOR	No Data
30-015-25915	PRE-ONGARD WELL #108	Oil	Cancelled APD	30	21S	28E	C	PRE-ONGARD WELL OPERATOR	No Data
30-015-27284	GARRETSON A.M.I. FEDERAL #001	Oil	Plugged (Site Released)	21	21S	28E	K	EOG Y RESOURCES, INC.	[24320] FENTON, DELAWARE
30-015-27404	PRE-ONGARD WELL #003	Oil	Plugged (Site Released)	21	21S	28E	F	PRE-ONGARD WELL OPERATOR	No Data
30-015-28937	NIX FEDERAL #006	Oil	Cancelled APD	28	21S	28E	F	READ & STEVENS INC	No Data
30-015-31624	CHEYENNE #001	Gas	Active	24	21S	27E	P	EOG RESOURCES INC	[73920] CARLSBAD, MORROW, EAST (GAS)
30-015-31832	CARSON CITY #001	Gas	Plugged (Site Released)	25	21S	27E	G	EOG M RESOURCES, INC.	[96838] DRY AND ABANDONED
30-015-31908	CARSON CITY 25 FEE COM #001Y	Gas	Active	25	21S	27E	G	EOG RESOURCES INC	[73920] CARLSBAD, MORROW, EAST (GAS)
30-015-32451	BOND #001	Gas	Plugged (Not Released)	20	21S	28E	F	MARATHON OIL PERMIAN LLC	[24340] FENTON DRAW, STRAWN; [71640] BASS, MORROW (GAS)
30-015-32633	BIG EDDY UNIT #140	Gas	Cancelled APD	19	21S	28E	O	BOPCO, L.P.	No Data
30-015-32704	PANTHER CITY 31 FEE COM #001	Gas	Cancelled APD	31	21S	28E	H	EOG M RESOURCES, INC.	No Data
30-015-32884	THROCKMORTON 32 FEDERAL COM #001	Gas	Cancelled APD	32	21S	28E	A	EOG M RESOURCES, INC.	No Data
30-015-32955	BIG EDDY UNIT #143	Gas	Active	19	21S	28E	N	BOPCO, L.P.	[73920] CARLSBAD, MORROW, EAST (GAS); [73920] CARLSBAD, MORROW, EAST (GAS); [74080] CARLSBAD, STRAWN, EAST (GAS)
30-015-33103	BIG EDDY UNIT #144	Gas	Active	30	21S	28E	1	BOPCO, L.P.	[73920] CARLSBAD, MORROW, EAST (GAS); [74080] CARLSBAD, STRAWN, EAST (GAS); [74160] CARLSBAD, WOLF CAMP, EAST (GAS)
30-015-33157	BIG EDDY UNIT #151	Gas	Active	30	21S	28E	H	BOPCO, L.P.	[24340] FENTON DRAW, STRAWN; [76580] FENTON DRAW, MORROW (GAS)
30-015-33231	BIG EDDY UNIT #150	Gas	Active	17	21S	28E	K	BOPCO, L.P.	[73920] CARLSBAD, MORROW, EAST (GAS); [74080] CARLSBAD, STRAWN, EAST (GAS)
30-015-33699	PANTHER CITY 31 FEE COM #001	Gas	Active	31	21S	28E	A	EOG RESOURCES INC	[73920] CARLSBAD, MORROW, EAST (GAS); [74080] CARLSBAD, STRAWN, EAST (GAS)
30-015-34263	BIG EDDY UNIT #149	Oil	Cancelled APD	32	21S	28E	A	BOPCO, LP	[73920] CARLSBAD, MORROW, EAST (GAS)
30-015-34861	BOND FEE #002	Oil	Active	20	21S	28E	C	MARATHON OIL PERMIAN LLC	[24320] FENTON, DELAWARE; [24340] FENTON DRAW, STRAWN; [71640] BASS, MORROW (GAS); [79060] INDIAN FLATS, ATOKA (GAS)
30-015-44072	BOND 20 FEE #001H	Oil	New (Not Drilled/Completed)	19	21S	28E	A	MARATHON OIL PERMIAN LLC	[24300] FENTON, BONE SPRING
30-015-53162	CHEYENNE #001	Gas	Cancelled APD	24	21S	27E	P	EOG M RESOURCES, INC.	No Data

No Wells within AOR penetrate
the proposed injection zone.

ATTACHMENT #4

Proposed Operations

A. Source Zone Produced Water Analysis

B. Injection Zone Produced Water Analysis

VII. Proposed Operations

Attach data on the proposed operation, including:

Proposed Operation		
(1)	Average Rate:	20,000 bbls
	Maximum Rate:	30,000 bbls
(2)	Open or Closed:	Open
(3)	Average Injection Pressure:	1,500 - 2,000 psi
	Maximum Injection Pressure:	2,561 psi

- (4) *Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and*

The anticipated sources of produced water proposed to be injected into the Devonian and Silurian formations are from the Delaware, Wolfcamp and Bone Springs Formations, which are known to be compatible with formation water from the Devonian Formation. Laboratory analysis of water samples collected from the respective formations is provided as **Attachment #4a**.

- (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*

Laboratory analysis of water samples collected from the Devonian and Fusselman Formations are provided as **Attachment #4b**.

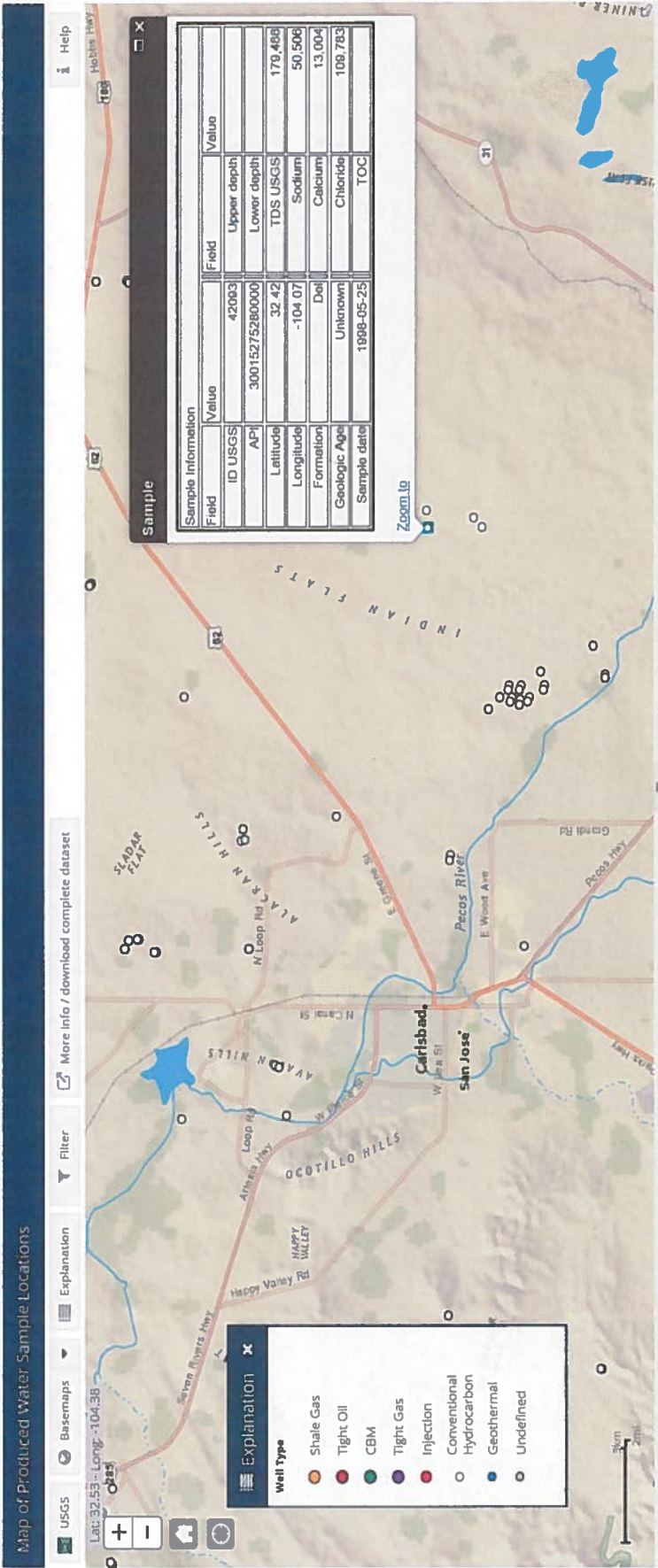
Safety, Spill Prevention and Release Response

Above-ground storage tanks (ASTs) associated with the SWD operation will be placed into a steel-walled, lined containment system. The well, injection equipment and ASTs will be equipped with metering and pressure sensing devices in an effort to monitor and ensure the integrity of the equipment and prevent accidental releases to the environment.

In the event of an accidental releases to the environment, a Release Notification (NMOCD Form C-141) will be prepared, characterizing the release and proposing remediation activities designed to mitigate environmental impacts, as necessary. In the event of an accidental discharge of greater than 25 bbls, the NMOCD will be notified immediately.

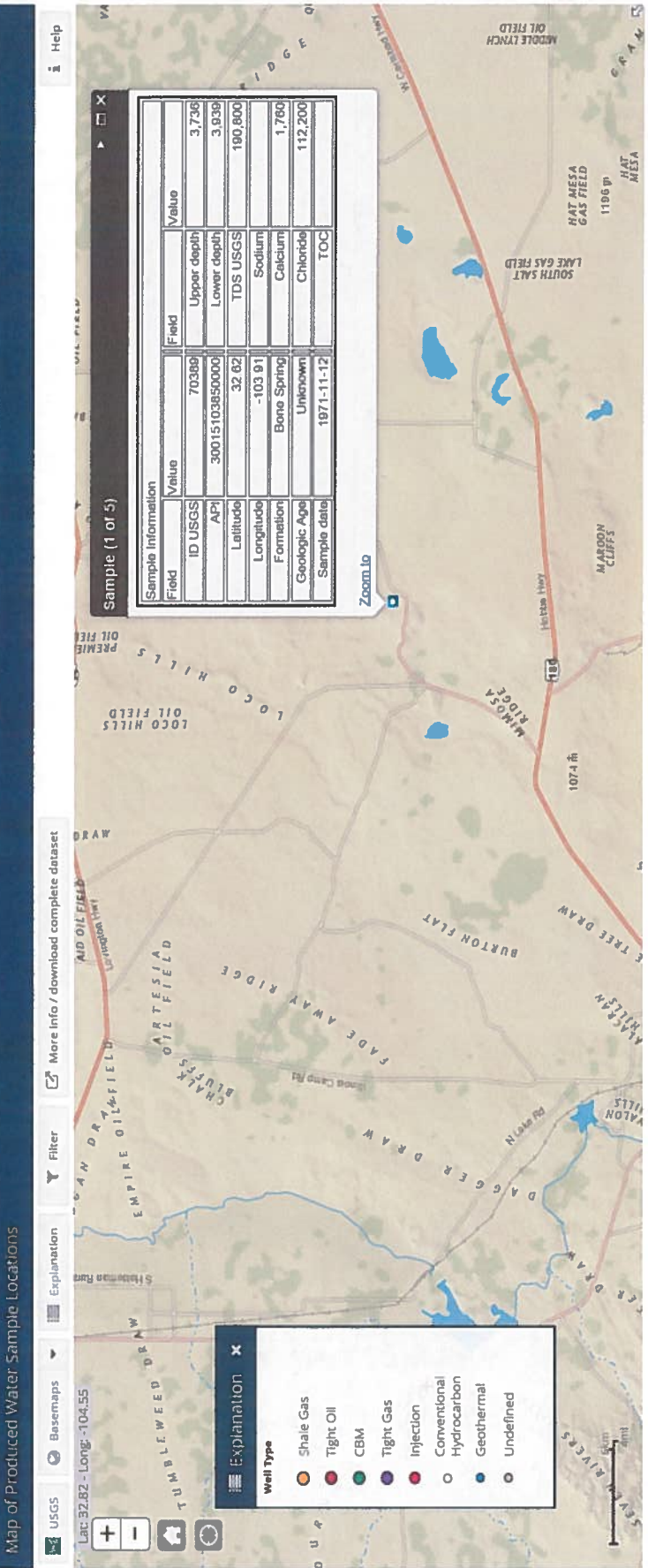
Attachment 4A - Source Zone Produced Water

Delaware



Attachment 4A - Source Zone Produced Water

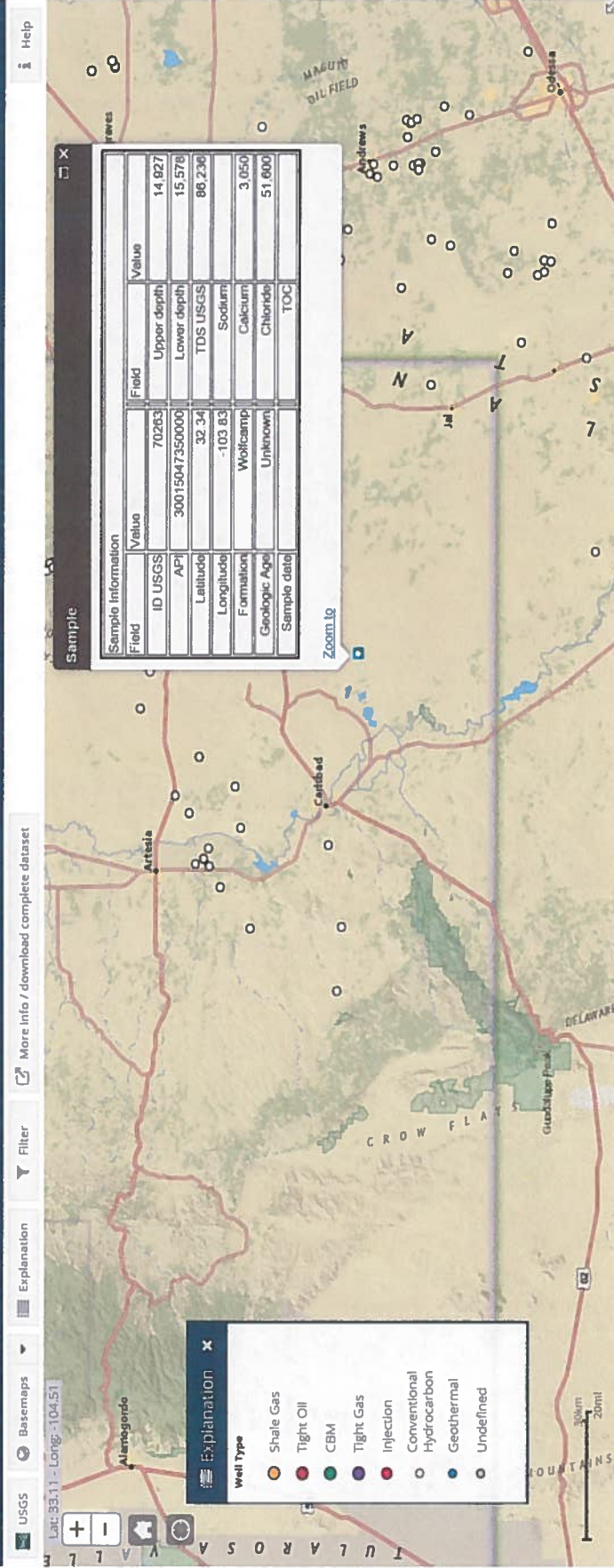
Bone Spring



Attachment 4A - Source Zone Produced Water

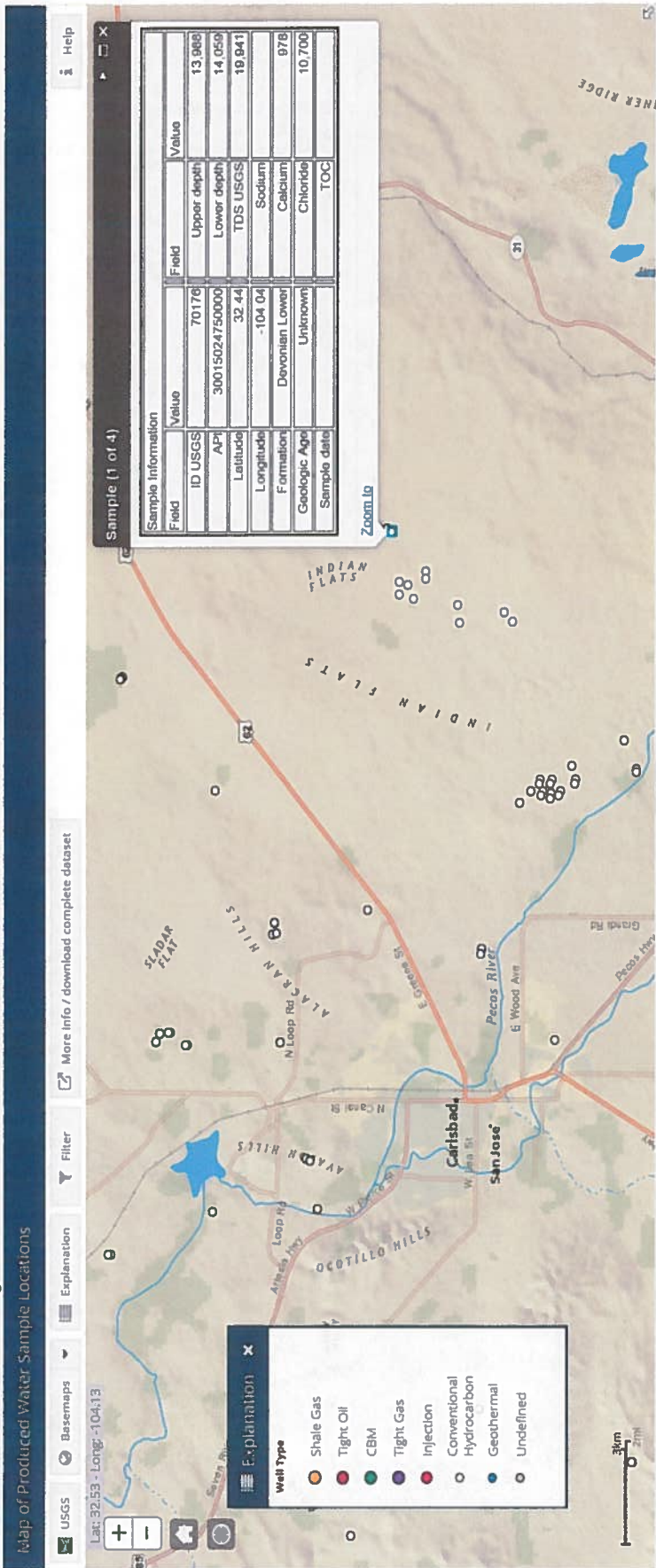
Wolfcamp

Map of Produced Water Sample Locations

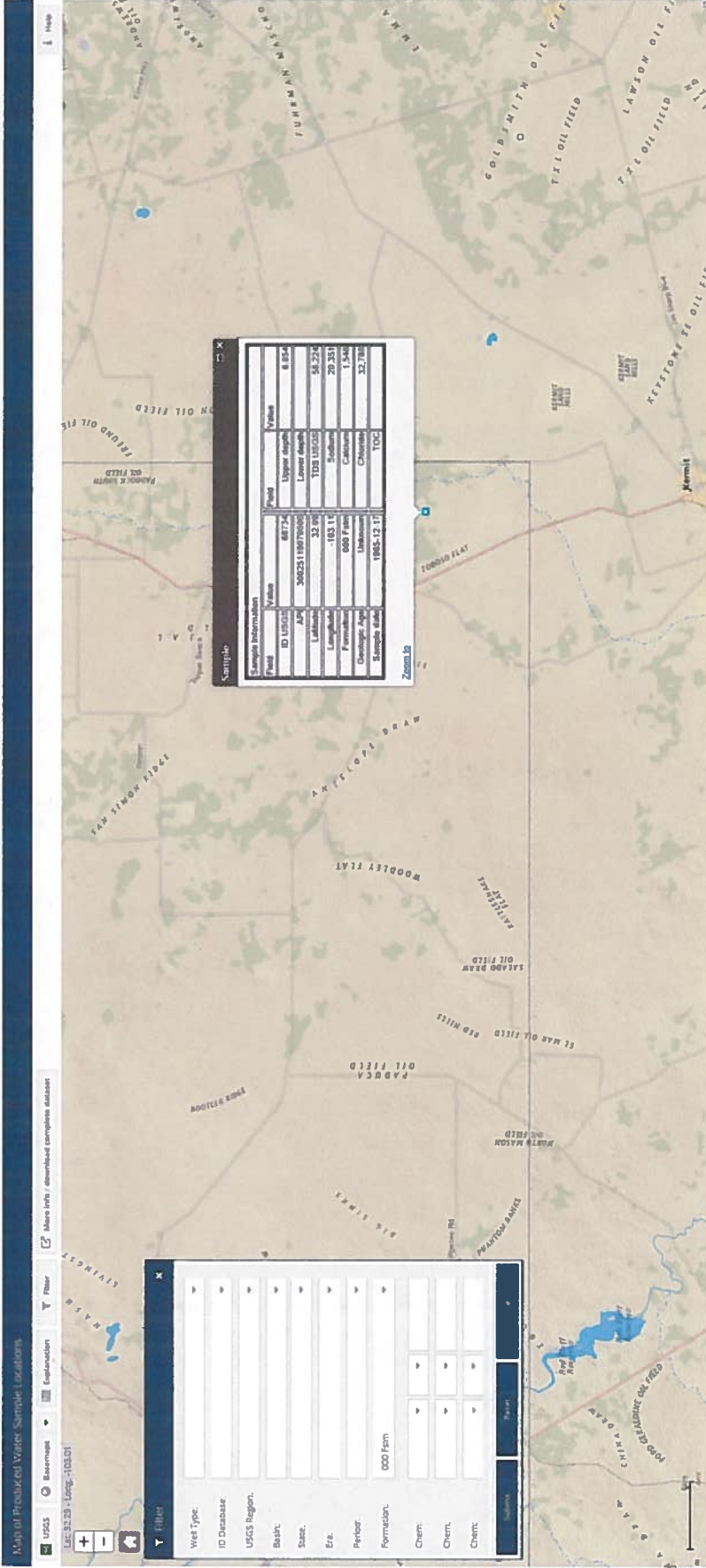


Attachment 4B - Injection Zone Produced Water

Devonian

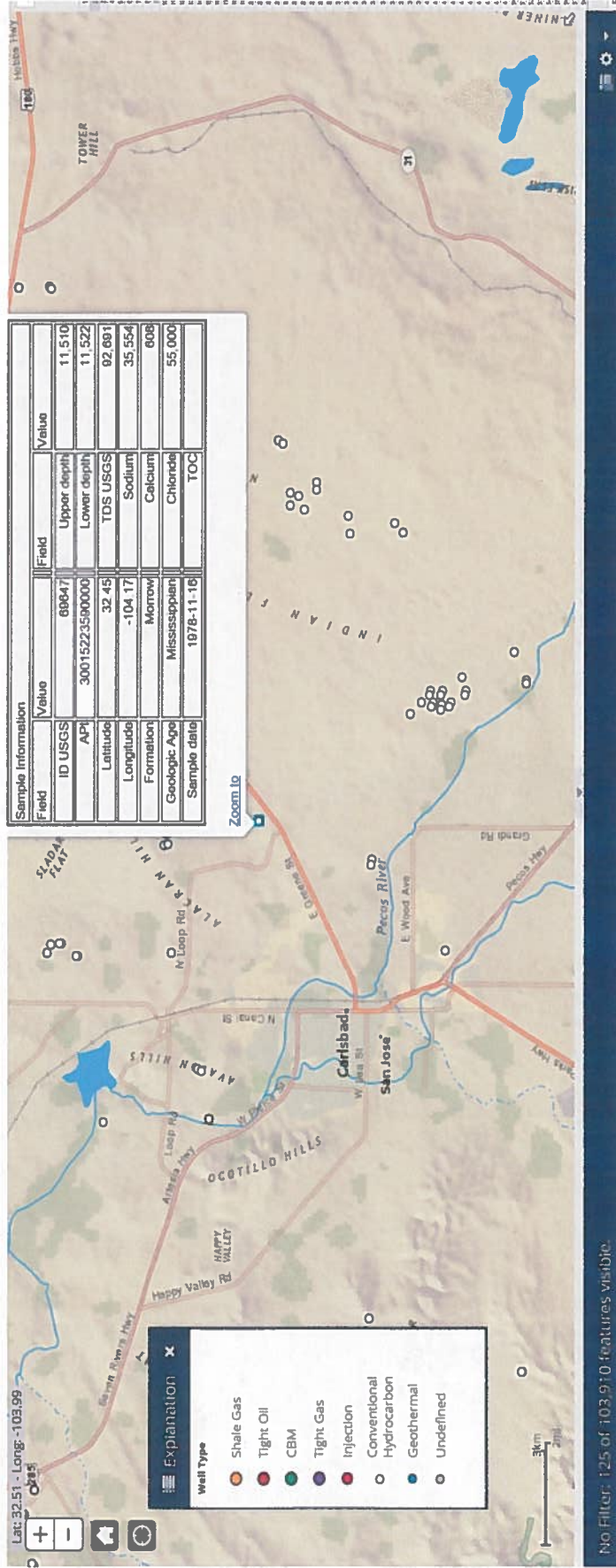


Fusselman



Attachment 4A - Source Zone Produced Water

Morrow



ATTACHMENT #5

A. Geological Description

B. Seismic Information

VIIIa Geologic Description

a. Attach appropriate geologic data on the injection zone including appropriate lithological detail, geologic name, thickness, and depth.

The proposed injection interval consists of sedimentary rock formations deposited during the Devonian and Silurian Periods. The Devonian Formation consists of porous dolomites, chert intervals and limestone (McGlasson, E.H. 1967). The thickness of the Devonian and Silurian Formations is estimated to be approximately 1,000 feet (ft.) locally. Sections of porous dolomite and limestone are believed to be present at the proposed injection site. The proposed injection interval is overlain by the Woodford Shale, which ranges in thickness from 100 to 300 ft. consists of organic-rich dark shales, black cherts, siltstone, sandstone and greenish-colored shales (Broadhead, R.F., 2010). Inferred depths of the proposed injection zone were estimated utilizing completions data from wells within the vicinity.

During the advancement of the proposed well, mud logging data will be utilized to ensure that the thickness of the Devonian and Silurian Formation is adequately defined, allowing for the proper placement of the packer, casing shoe and determination of the open-hole injection interval. Should logging data indicate depth adjustments are required for the casing program, applicable Sundry Notices will be filed with the NMOCD.

b. 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/kg or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

A search of the USGS database suggests the historic presence of **five (5) inactive wells** and one (1) active well within the vicinity of the Site. **Two (2)** of the wells were completed in Alluvium and Bolson Deposits. **Two (2)** of the wells were completed in the Capitan Limestone formation. **One (1)** of the wells was completed in the Rustler Formation and **one (1)** of the wells was completed in the Carlsbad Limestone formation. Data from wells with available information suggested static water levels ranged from **13.29 ft. bgs** as measured in a well approximately **0.90 Mi Southwest** of the Site to **37.92 ft. bgs** as measured in a well approximately **1.1 Mi. North - Northwest** of the Site. Available data suggests the historic presence of **four (4)** USGS wells within a 1-Mile radius of the proposed injection well. The status of the wells is unknown.

A search of the NMOSE database suggests the historic presence of **two (2)** wells within a 1-mile radius of the Site. The wells were drilled to depths ranging from **70 to 80 ft. bgs**. If available and producing, **two (2)** of the identified fresh water wells will be sampled. Analytical results, if applicable, are provided in Attachment #6.

Other known water sources in the area include the Rustler Formation, which outcrops in the area, the underlying Salado and Castile Formations and the Capitan Reef. Groundwater within the Rustler, Salado, Castile and Capitan Reef is not a source of drinking water. No usable water is expected to be encountered beyond **300 Ft. bgs**.



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

UTMNA83 Radius Search (in meters):

Easting (X): 583182.7

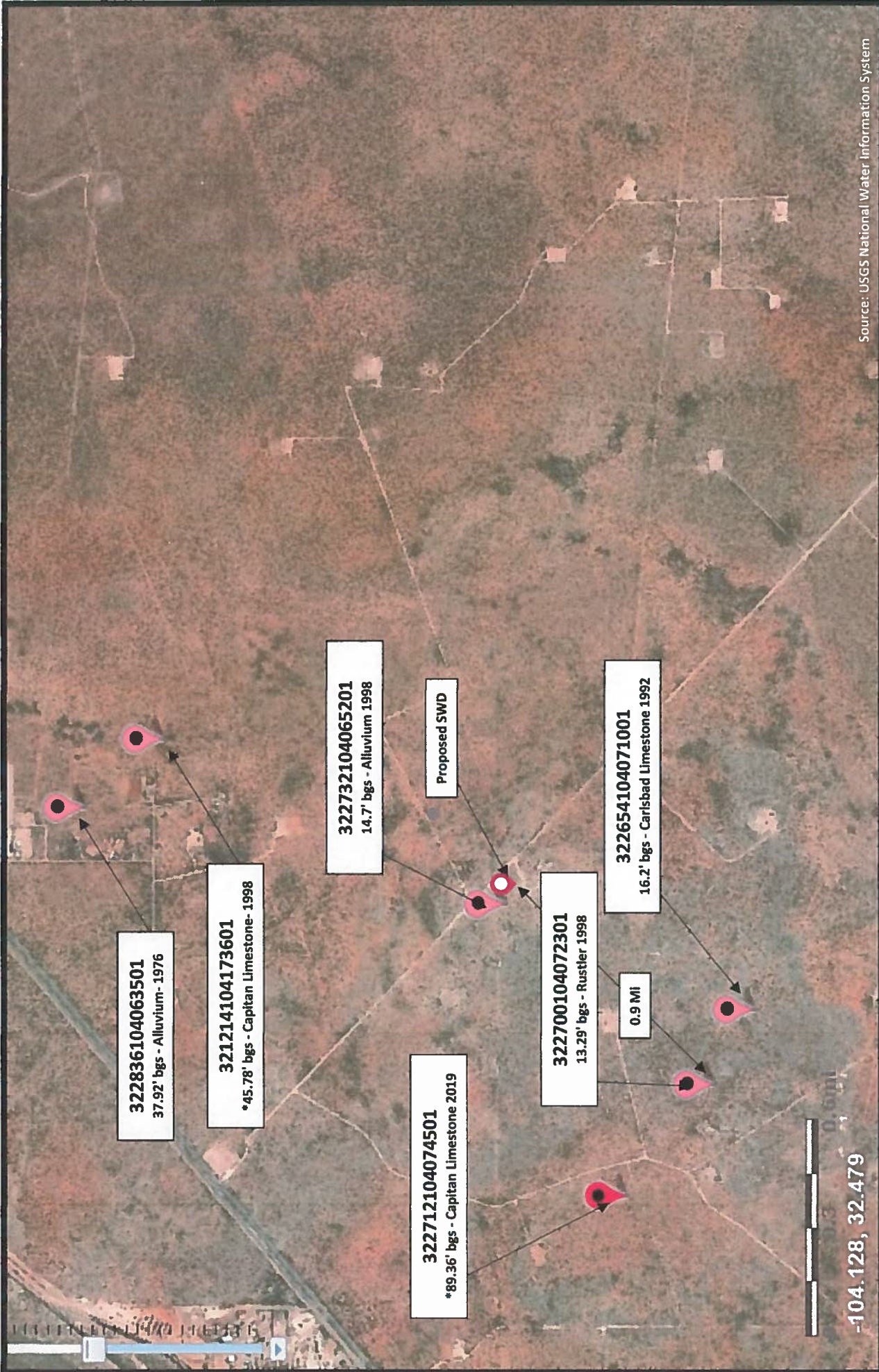
Northing (Y): 3591624.2

Radius: 1608

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.

4/15/19 12:20 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER



Source: USGS National Water Information System

Drafted by: jwl Checked by: client Date: 2/11/2019

Figure 3 - USGS Groundwater Resource Map
 LilyStream Water Solutions, LLC
 Bonds SWD #1
 API No. Pending
 Legals: UL M, Sec. 20, T21S, R28E
 Eddy County, New Mexico

LEGEND:

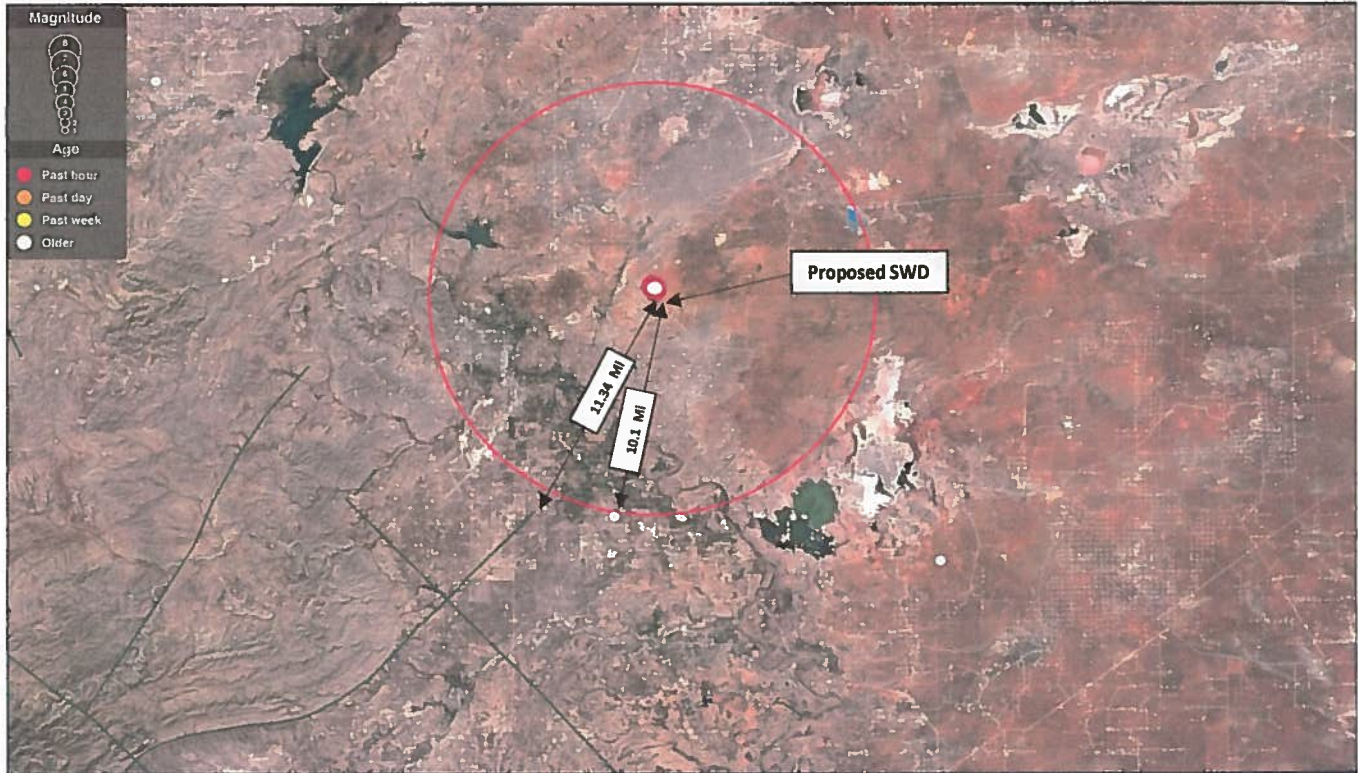
- Proposed SWD Location
- USGS Water Well (Reported)

VIIIb Seismic Information

The proposed injection well is located within the western portion of the Delaware Basin in Unit Letter "M", Section 20, Township 21 South, Range 28 East in Eddy County, New Mexico. A review of USGS data available on the ComCat Earthquake Catalog indicates the nearest seismic event exceeding a magnitude of 0.1 occurred approximately **10.1 Mi Southwest** of Site. The seismic event was reported as a magnitude 3.9 occurring in November of 1974.

The nearest fault trace is approximately **11.34 Mi Southwest** of the proposed injection well. The fault trace is indicative of a normal fault striking Northeast-Southwest.

Data available on the ComCat Earthquake Catalog suggests the recorded seismic events within the region did not occur on the described faults.



Faults traces are depicted as green linear features. Seismic events with available data are depicted as grey dots of which the size is representative of the magnitude. Details regarding the depicted faults are provided on the following page.

Sources:

Bureau of Economic Geology. Accessed February 2019. Permian Basin Geologic Synthesis Project.
<https://gis.utlands.utsystem.edu/ags/rest/services/GeologicFeatures/MapServer>

U.S. Geological Survey (USGS). February 2019. Earthquakes Hazard Program: ComCat Earthquake Catalog.
<https://earthquake.usgs.gov/learn/kml.php>

VIIIb Seismic Information

A recent publication prepared by Snee and Zoback (2018) entitled "State of Stress in the Permian Basin, Texas and New Mexico" discusses the fault slip potential of fault traces compiled from Ewing et al. (1990), Green and Jones (1997), Ruppel et al. (2005) as well the USGS Quaternary Faults and Fold Database. A map detailing their findings with the proposed injection well location superimposed is provided below:

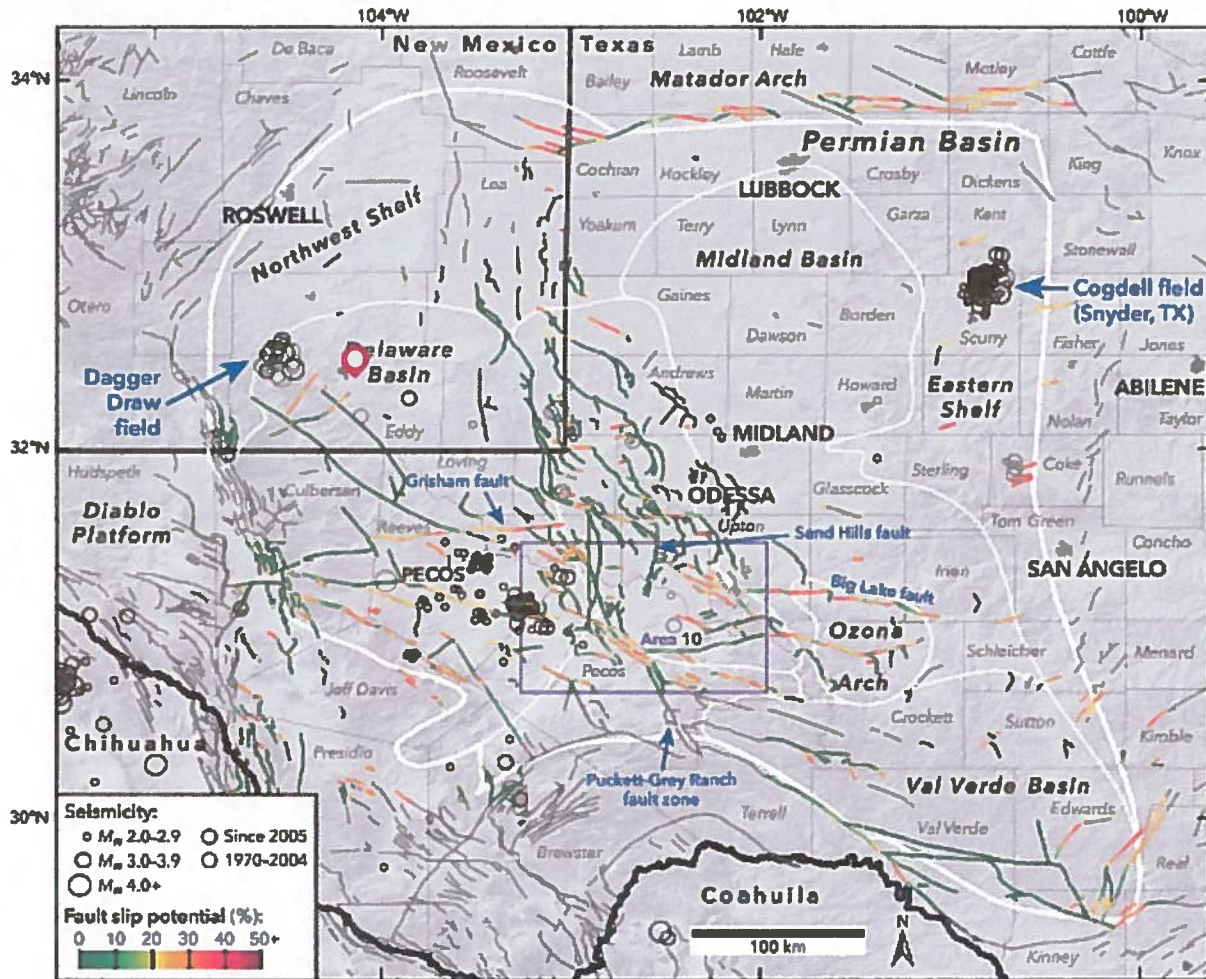


Figure 3. Results of our probabilistic FSP analysis across the Permian Basin. Data sources are as in Figures 1 and 2.

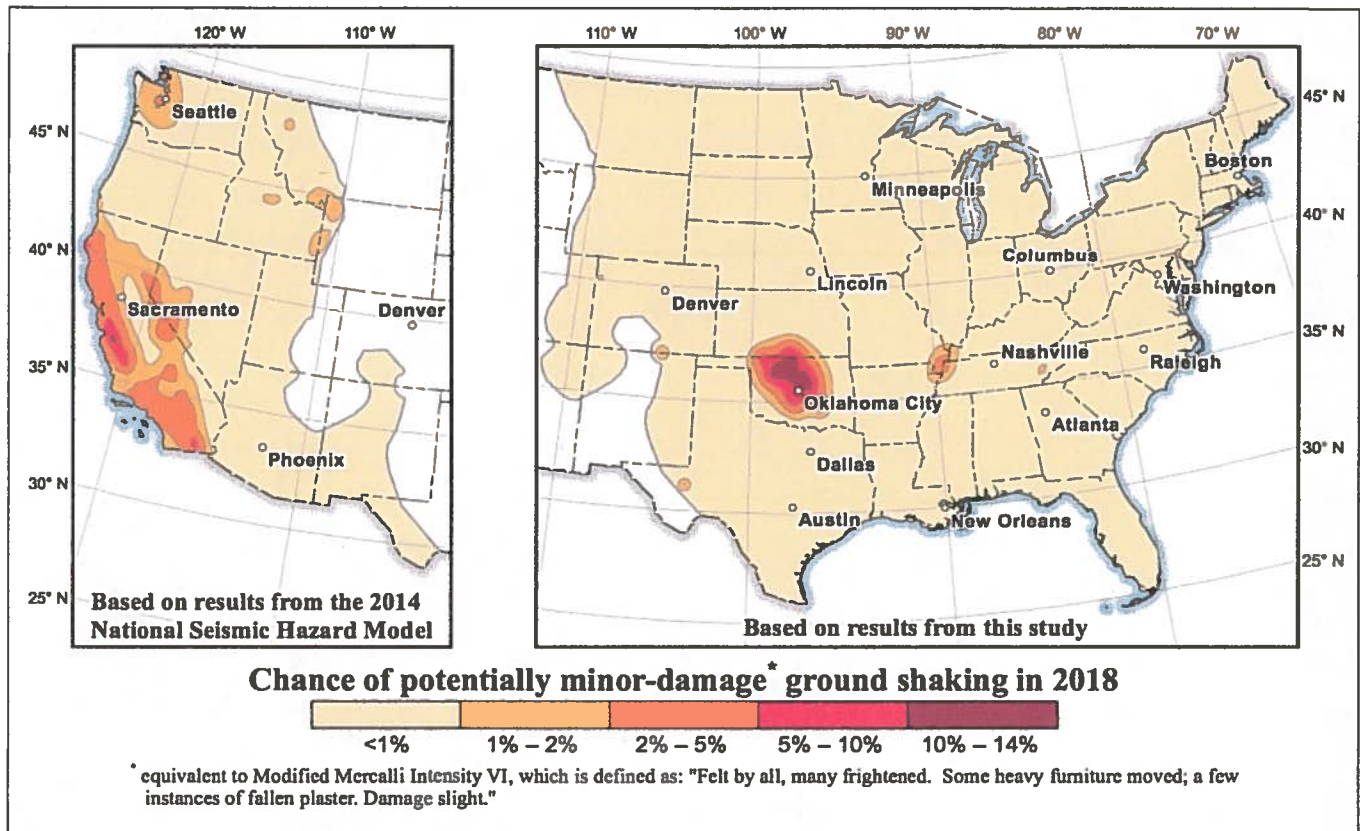
Based on the proposed injection well's distance to known faults, relative low faulting and seismic activity in the area, review of historical earthquake data and the presence of confining layers above and beneath the proposed injection zone, it is unlikely that the proposed injection activities will contribute to a fault-slip event.

Source:

Snee, Jens-Erik Lund, and Mark D. Zoback. 2018 "State of Stress in the Permian Basin, Texas and New Mexico; Implication for Induced Seismicity." The Leading Edge 37 (February 2018).

VIIIb Seismic Information

Data from the 2018 USGS One-Year probabilistic seismic hazard forecast suggests there was a less than 1% chance of potentially minor-damage from induced and natural ground shaking in 2018, as depicted on the map below:



Source:

U.S. Geological Survey (USGS). February 2019. Earthquakes Hazard Program: Short-term Induced Seismicity Models.

<https://earthquake.usgs.gov/hazards/induced/index.php#2018>

ATTACHMENT #6

Fresh Water Laboratory Analysis (*if applicable*)

Fresh Water Sample Location Map (*if applicable*)



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

April 29, 2019

JOEL LOWRY

LOWRY ENVIROMENTAL & ASSOCIATES

PO BOX 296

LOVINGTON, NM 88260

RE: BONDS

Enclosed are the results of analyses for samples received by the laboratory on 04/18/19 12:15.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-18-11. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Total Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Cardinal Laboratories is accredited through the State of New Mexico Environment Department for:

Method SM 9223-B	Total Coliform and E. coli (Colilert MMO-MUG)
Method EPA 524.2	Regulated VOCs and Total Trihalomethanes (TTHM)
Method EPA 552.2	Total Haloacetic Acids (HAA-5)

Accreditation applies to public drinking water matrices for State of Colorado and New Mexico.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:LOWRY ENVIROMENTAL & ASSOCIATES
PO BOX 296
LOVINGTON NM, 88260Project: BONDS
Project Number: NONE GIVEN
Project Manager: JOEL LOWRY
Fax To:Reported:
29-Apr-19 15:28

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
BOUNDS #1 -1	H901421-01	Water	16-Apr-19 15:20	18-Apr-19 12:15

Sample project changed from 'Bounds' to 'Bonds' as per Joel 04/29/19. This is the revised report and will replace the one sent on 04/26/19.

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:LOWRY ENVIROMENTAL & ASSOCIATES
PO BOX 296
LOVINGTON NM, 88260Project: BONDS
Project Number: NONE GIVEN
Project Manager: JOEL LOWRY
Fax To:Reported:
29-Apr-19 15:28**BOUNDS #1 -1**
H901421-01 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	--------------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories**Inorganic Compounds**

Chloride*	52.0		4.00	mg/L	1	9042202	AC	22-Apr-19	4500-Cl-B	
TDS*	2530		5.00	mg/L	1	9042303	AC	24-Apr-19	160.1	

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

LOWRY ENVIROMENTAL & ASSOCIATES
PO BOX 296
LOVINGTON NM, 88260

Project: BONDS
Project Number: NONE GIVEN
Project Manager: JOEL LOWRY
Fax To:

Reported:
29-Apr-19 15:28

Inorganic Compounds - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 9042202 - General Prep - Wet Chem										
Blank (9042202-BLK1)				Prepared & Analyzed: 22-Apr-19						
Chloride	ND	4.00	mg/L							
LCS (9042202-BS1)				Prepared & Analyzed: 22-Apr-19						
Chloride	104	4.00	mg/L	100		104	80-120			
LCS Dup (9042202-BSD1)				Prepared & Analyzed: 22-Apr-19						
Chloride	104	4.00	mg/L	100		104	80-120	0.00	20	
Batch 9042303 - Filtration										
Blank (9042303-BLK1)				Prepared: 23-Apr-19 Analyzed: 24-Apr-19						
TDS	ND	5.00	mg/L							
LCS (9042303-BS1)				Prepared: 23-Apr-19 Analyzed: 24-Apr-19						
TDS	558		mg/L	527		106	80-120			
Duplicate (9042303-DUP1)				Source: H901409-18 Prepared: 23-Apr-19 Analyzed: 24-Apr-19						
TDS	325000	5.00	mg/L		391000			18.3	20	

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

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Celey D. Keene, Lab Director/Quality Manager

ATTACHMENT #7

Affirmative Statement

XII. AFFIRMATIVE STATEMENT

Re: LilyStream Water Solutions, LLC
Bonds SWD #1
Legals: UL M, Sec. 20, T21S, R28E

Available geologic and engineering data has been examined and we find no evidence of open faults or any hydrologic connection between the disposal interval and any underground sources of drinking water.


Joel W. Lowry



ATTACHMENT #8

Proof of Notice Documentation

XIV. PROOF OF NOTICE

Surface Owner: ✓

Mark Bond

2917 Ocotillo Canyon Drive
Carlsbad, NM 88220
7018 2290 0000 5825 4830

Leasehold Operators within a One-Mile Radius:

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6401 Holiday Hill Rd Bldg 5
Midland, TX 79707
7018 2290 0000 5825 4946

BEPCO, LP

201 Main St.
Fort Worth, TX 76102
7018 2290 0000 5825 4946

POCO Resources, LLC

3307 E. Castleberry Road
Artesia, NM 88210
7018 2290 0000 5825 4878

Altura Energy LTD

P.O. Box 4294
Houston, TX 77210
7018 2290 0000 5825 4922

Marathon Oil Permian LLC

5555 San Felipe St.
Houston, TX 77056
7018 2290 0000 5825 4939

CMB OG NM LLC

201 Main St Ste 2700
Fort Worth, TX 76102
7018 2290 0000 5825 4847

CTV OG NM LLC

201 Main St Ste 2700
Fort Worth, TX 76102
7018 2290 0000 5825 4861

MRC Permian Company

5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
7018 2290 0000 5825 4892

Thru Line OG NM LLC

201 Main St #2700
Fort Worth, TX 76102
7018 2290 0000 5825 4885

SRBI OG NM LLC

201 Main St #2700
Fort Worth, TX 76102
7018 2290 0000 5825 4908

Regulatory Agency:

NMOCD - Santa Fe

1220 S. St. Francis Dr.
Santa Fe, NM 87505

NMOCD - District 2

811 S. First
Artesia, NM 88210
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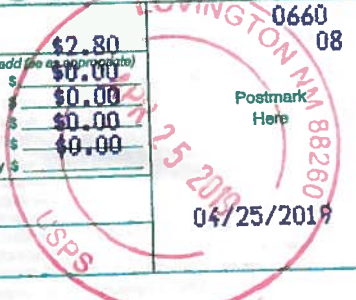
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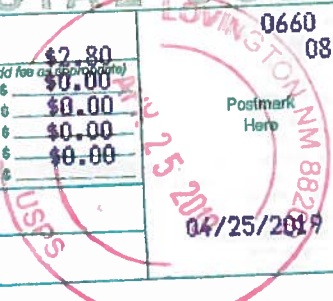
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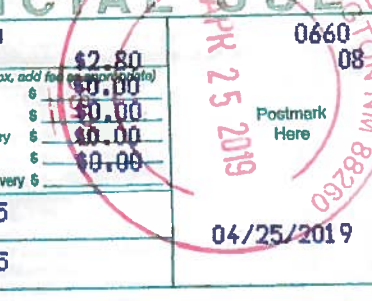
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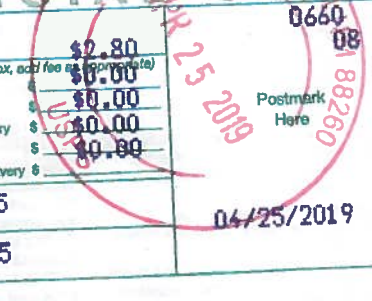
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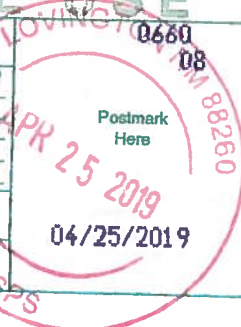
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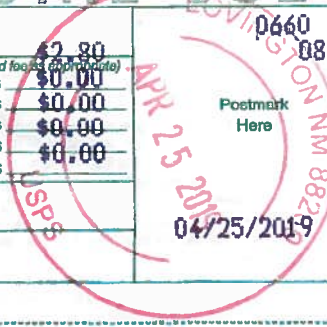
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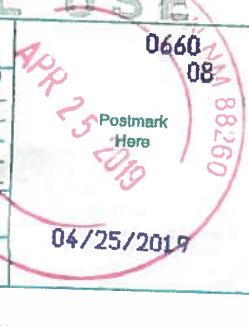
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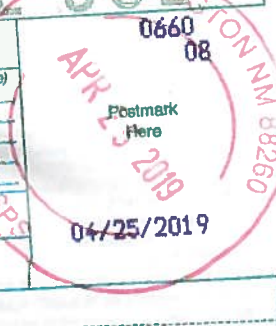
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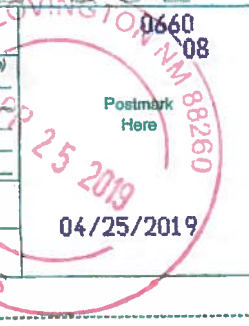
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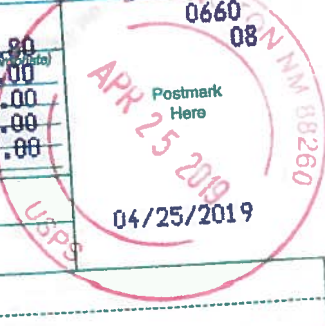
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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$8.35
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City, State, ZIP+4 [®] Santa Fe, NM 87508	
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XIV. PROOF OF NOTICE

Affidavit of Publication

Copy of Publication

Affidavit of Publication

No. 25099

State of New Mexico

County of Eddy:

Danny Scott

being duly sworn says that he is the **Publisher**
of the Artesia Daily Press, a daily newspaper of General
circulation, published in English at Artesia, said county
and state, and that the hereto attached

Legal Ad

was published in a regular and entire issue of the said
Artesia Daily Press, a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks day on the same
day as follows:

First Publication May 3, 2019

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Seventh Publication _____

Subscribed and sworn before me this

7th day of May 2019



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2023

Latisha Romine

Latisha Romine

Notary Public, Eddy County, New Mexico

Legal Notice

LilyStream Water Solutions, LLC, 1308 W. Ave D, Lovington, NM 88260, is filing Form C-108 for an application for Authority to Inject with the New Mexico Oil and Conservation Division requesting administrative approval for a salt water disposal well. The proposed newly drilled well, the Bonds SWD No. 1 is located at 20' FSL & 850' FWL, Section 20, Township 21S Range 28E, N.M.P.M., Eddy County, New Mexico: approximately 7 miles East of Carlsbad down NM 62-180 and 1 Mile South on Creosote Road. (API # to be assigned). Produced water from area oil and gas producing wells will be commercially disposed into the Devonian and Silurian formations from 12,803' to 13,753' below surface. Expected maximum injection rate is 30,000 bpd, and the expected maximum injection pressure is 2,561 psi. Questions concerning the application can be directed to the applicant's agent Lowry Environmental, LLC, PO Box 948, Lovington, NM 88260, by phone (432) 466-4450 or email joel@lowryenvironmental.com. Objections or request for hearing must be directed to the Oil Conservation Division, (505) 476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within 15 days.

Published in the Artesia Daily Press, Artesia, N.M., May 3, 2019 Legal No. 25099.

April 15, 2019

NOTIFICATION TO INTERESTED PARTIES

Via U.S. Certified Mail - Return Receipt Requested

RE: Application for Authroization to Inject
 Bonds SWD #1
 Township 21S, Range 28E, N.M.P.M
 Section 20, 20' FSL & 850' FWL
 Eddy County, New Mexico

To Whom It May Concern:

Enclosed for your review is a copy of a C-108 Application submitted by LilyStream Water Solutions, LLC, Lovington, New Mexico, to the New Mexico Oil Conservation Division to drill and complete for produced water disposal the Bonds SWD #1.

The well is located in Section 20, Township 21S, Range 28E, 20' FSL and 850' FWL, Eddy County, New Mexico.

As required by NMOCD, we are notifying you because you have been indentified as an operator or surface owner and therefor an affected party by this action. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter.

The well will be a commercial SWD well taking produced water from oil and gas operations in the surrounding area. Please contact Joel Lowry with Lowry Environmental and Associates, LLC, at 432.466.4450 , with any questions or concerns regarding this well or application.

Respectfully,



Joel W. Lowry



RECEIVED

April 15, 2019

MAY 02 2019

LAND DEPARTMENT

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 Bonds SWD #1
 Township 21S, Range 28E, N.M.P.M
 Section 20, 20' FSL & 850' FWL
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To Whom It May Concern:

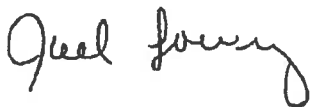
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Respectfully,



Joel W. Lowry

LOWRY
environmental

Hard copies
mailed to
CTV OG NM LLC
Bepco LP
CMB OG NM LLC
Thru Line OG NM LLC
SRBI OG NM LLC
210 Main St. Ste 2700
Ft Worth TX 76102

Mailed Christian 5/2/19