

RECEIVED: <u>3/27/2019</u>	REVIEWER:	TYPE: <u>SWD</u>	APP NO: <u>DMAM19086 48314</u>
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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: <u>Trove Energy and Water, LLC</u>	OGRID Number: <u>372488</u>
Well Name: <u>WLC-M Federal SWD No.2</u>	API: <u>30-025-xxxx</u>
Pool: <u>Proposed: SWD; Devonian-Silurian</u>	Pool Code: <u>97869</u>

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

MAR 27 2019 AM 11:48

- 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 PPR

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

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.

Ben Stone

 Print or Type Name

 Signature

3/26/2019

 Date

903-488-9850

 Phone Number

ben@sosconsulting.us

 e-mail Address



March 26, 2019

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

Attn: Mr. Gabriel Wade Acting Director

Re: Application of Trove Energy and Water, LLC to permit for salt water disposal the proposed WLC Mid Federal SWD No.2, to be located in Section 23, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Mr. Wade,

Please find the enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request for salt water disposal. The well will be operated as a commercial endeavor offering operators in the area additional options for produced water disposal.

Trove Energy and Water is a developing salt water disposal services to operators in southeast New Mexico and seeks to optimize efficiency, both economically and operationally, of all its operations. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights.

This application for a proposed Devonian SWD interval includes the currently mandated increased One-Mile Area of Review including pertinent and available seismic information for the area and region. Published legal notice ran March 14, 2018 in the Hobbs News-Sun and all offset operators and other interested parties have been notified individually. The legal notice affidavit is included with this application. The application also includes a wellbore schematic, area of review maps, affected party plat and other required information for a complete Form C-108. The well is located on federal surface and minerals and the Bureau of Land Management CFO and offset operators have been notified of this application. State minerals offset as well and the Oil and Gas Division of the State land Office were noticed.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in blue ink, appearing to read 'Ben Stone', is written over a light blue circular stamp.

Ben Stone, Partner
SOS Consulting, LLC
Agent for Trove Energy and Water, LLC

Cc: Application attachment and file

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: **Salt Water Disposal** and the application **QUALIFIES** for administrative approval.
- II. OPERATOR: **Trove Energy and Water, LLC**
ADDRESS: **1919 North Turner, Hobbs, NM 88240**
- CONTACT PARTY: **Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850**
- III. WELL DATA: **All well data and applicable wellbore diagrams are ATTACHED.**
- IV. **This is not an expansion of an existing project.**
- V. **A map is attached** that identifies all wells and leases within two miles of any proposed injection well with a **ONE-Mile** radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- *VI. A tabulation is attached of data on all wells of public record within the area of review which penetrate the proposed injection zone. **There are NO (0) Wells in the subject AOR which Penetrate the proposed Devonian interval.** The data includes a description of each well's type, construction, date drilled, location, depth, and a schematic of any plugged well illustrating all plugging detail. **NO P&A Wells penetrate.**
- VII. **The following data is ATTACHED** 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. **Appropriate geologic data on the injection zone is ATTACHED** 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. **Stimulation program – a conventional acid job may be performed to clean and open the formation.**
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted). **Well Logs will be filed with OCD.**
- *XI. **There are NO water wells/ PODs within one mile of the proposed salt water disposal well. Representative analyses are ATTACHED.**
- XII. **An affirmative statement is ATTACHED that available geologic and engineering data has been examined and no evidence was found** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. **"Proof of Notice" section on the next page of this form has been completed and ATTACHED. There are 3 offset lessees and/or mineral owners within 1 mile and federal and state minerals - all have been noticed. Well location is Federal.**
- 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: **Ben Stone** TITLE: **SOS Consulting, LLC agent for Trove Energy and Water, LLC**

SIGNATURE:  DATE: **3/26/2019**

E-MAIL ADDRESS: **ben@sosconsulting.us**

- * 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:

FORM C-108 – APPLICATION FOR AUTHORIZATION TO INJECT (cont.)

III. WELL DATA – ***The following information and data is included (See ATTACHED Wellbore Schematic):***

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 ***pursuant to the following criteria is ATTACHED.***

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.

C-108 - Items III, IV, V

Item III - Subject Well Data

Wellbore Diagram - PROPOSED

Item IV – Tabulation of AOR Wells

NO wells penetrate the proposed injection interval.

Item V – Area of Review Maps

1. Two Mile AOR Map with One-Mile Fresh Water Well Radius
2. One-Half Mile AOR Map

All Above Exhibits follow this page.



WELL SCHEMATIC - PROPOSED

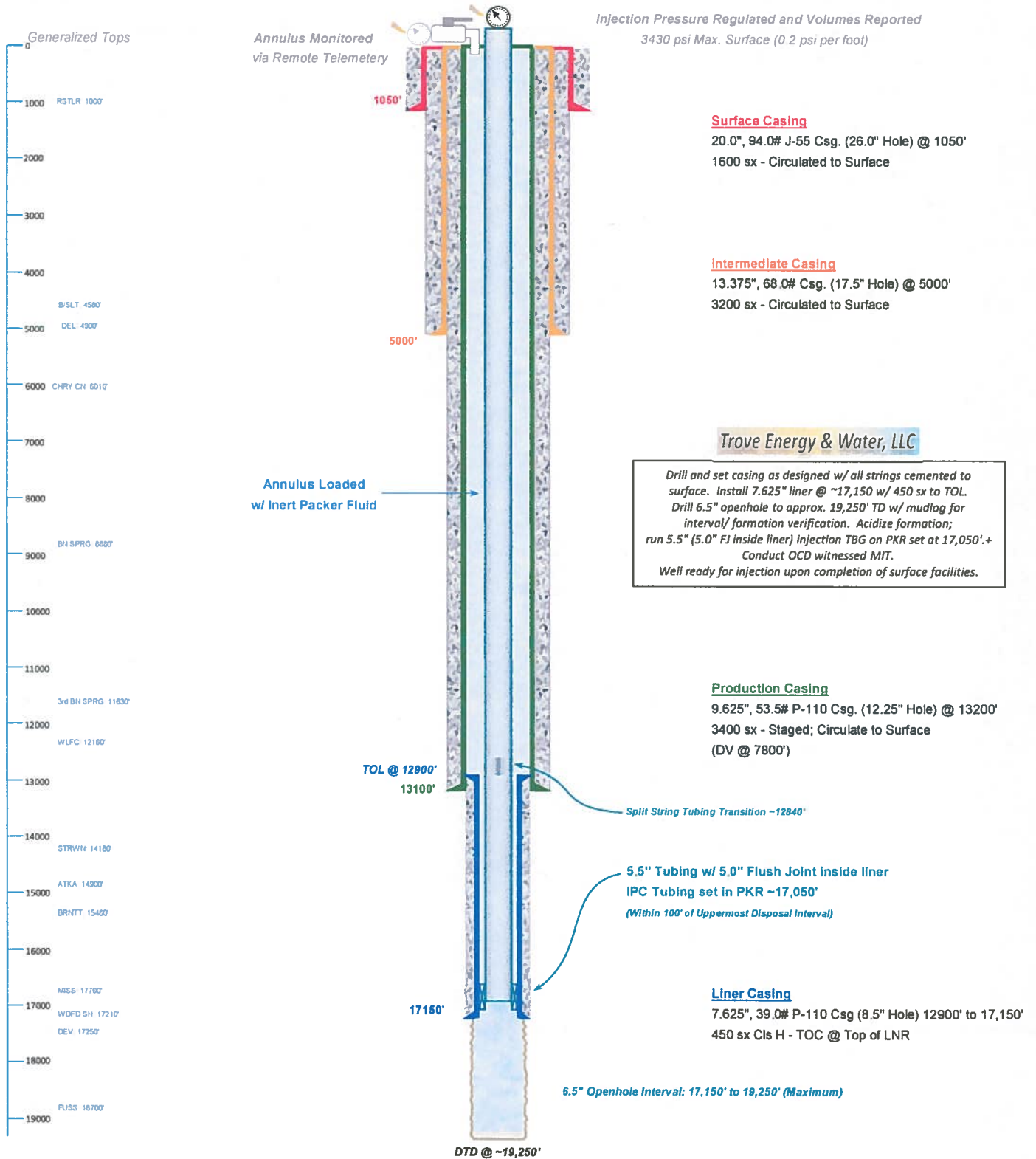
WLC Mid Federal SWD Well No.2

API 30-025-xxxxx
 2595' FNL & 195' FEL, SEC. 23-T25S-R33E
 LEA COUNTY, NEW MEXICO

SWD; Devonian-Silurian (97869)

Spud Date: 11/01/2019

SWD Config Dt: 12/15/2019



Trove Energy & Water, LLC

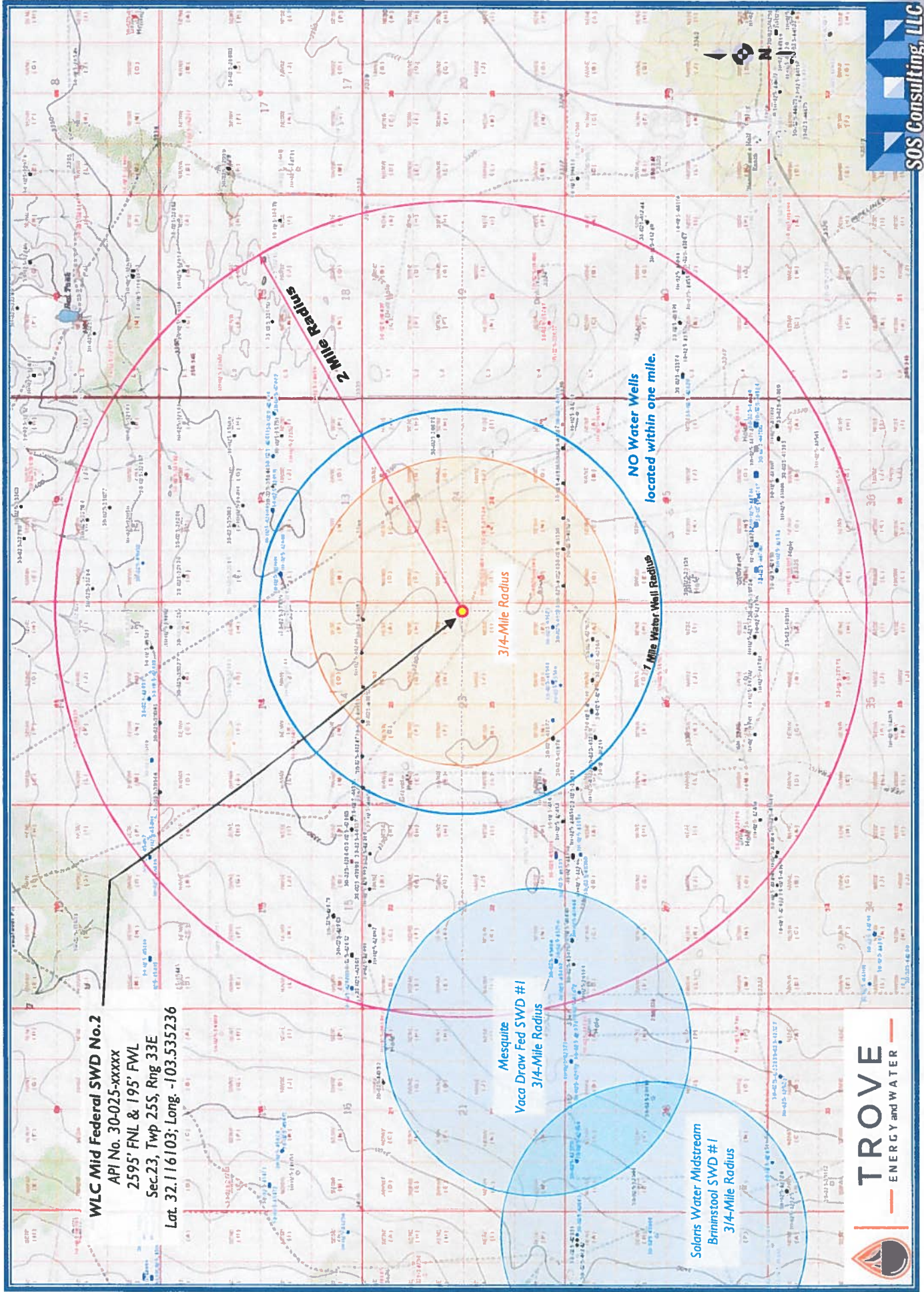
Drill and set casing as designed w/ all strings cemented to surface. Install 7.625" liner @ ~17,150 w/ 450 sx to TOL. Drill 6.5" openhole to approx. 19,250' TD w/ mudlog for interval/ formation verification. Acidize formation; run 5.5" (5.0" FJ inside liner) injection TBG on PKR set at 17,050'.+ Conduct OCD witnessed MIT. Well ready for injection upon completion of surface facilities.

Drawn by Ben Stone, 3/25/2019



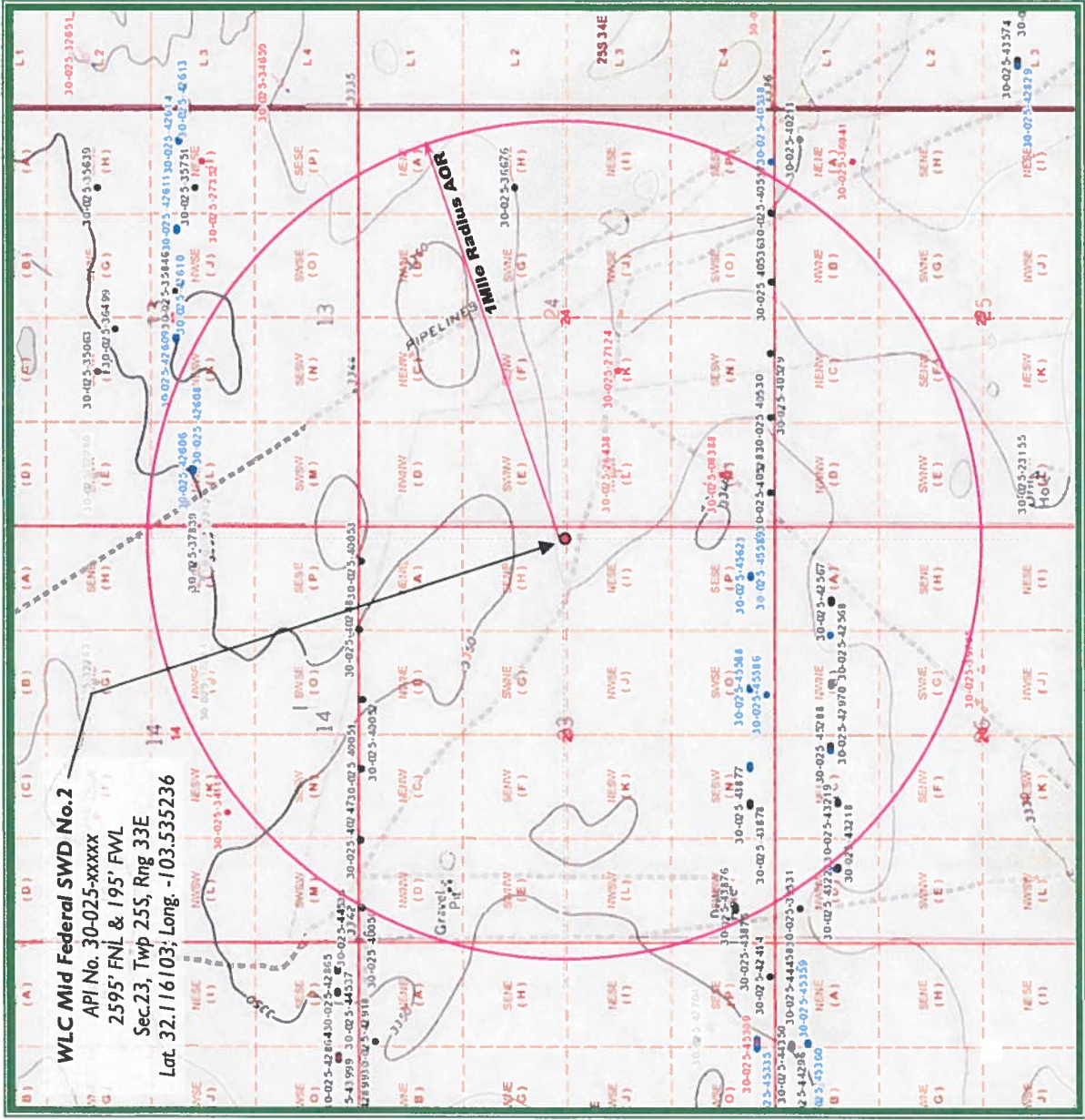
WLC Mid Federal SWD No.2 - Area of Review / 2 Miles

(Attachment to NMOC Form C-108 - Item V)

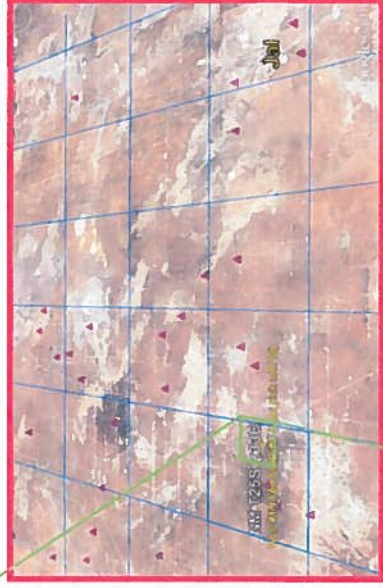


WLC Mid Federal SWD Well No.2 – One Mile Area of Review / Overview Map

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



20.1 miles West of Jal, NM



Lea County, New Mexico

C-108 - Item VI

Area of Review Well Data

**THERE ARE NO WELLS WHICH PENETRATE THE
PROPOSED DEVONIAN FORMATION IN THE
ONE-HALF MILE AREA of REVIEW**

C-108 ITEM X

LOGS and AVAILABLE TEST DATA

**A Standard Suite of Logs will be run after
drilling the well and submitted to the Division.**

C-108 ITEM VII – PROPOSED OPERATION

Trove WLC Mid Federal SWD #2

Commercial SWD Facility

Upon approval of all permits for SWD, operations would begin within 30 days. Completion of the well operations will take approximately 6-8 weeks. Facility construction including installation of the tank battery, berms, plumbing and other and associated equipment would be occurring during the same interval but at a different location from the well. In any event, it is not expected for the construction phase of the project to last more than 60 days, depending on availability of contractors and equipment.

Configure for Salt Water Disposal

Prior to commencing any work, an NOI sundry(ies) will be submitted to configure the well for SWD and will detail the completion workover including all work otherwise described above, any change to the procedure noted herein and to perform mechanical integrity pressure test per OCD test procedures. (Notify NMOCD 24 hours prior.) The casing/tubing annulus will be monitored for communication with injection fluid or loss of casing integrity.

Operational Summary

The SWD facility will not be fenced so that trucks may access for load disposal 24/7.

Future plans would include tying the SWD into a pipeline so the well and injection equipment will be a closed system and equipped with pressure limiting devices and volume meters. The annulus, loaded with an inert, anti-corrosion packer fluid, will be monitored for pressure.

The facility and tanks will be equipped with telemetry devices and visual alarms to alert the operator and customers of full tanks or an overflow situation.

Anticipated daily maximum volume is 30,000 bpd and an average of 17,500 bpd at a maximum surface injection pressure of 3430 psi (.2 psi/ft gradient – maximum pressure will be adjusted if the top of interval is modified after well logs are run).

Potential releases will be contained and cleaned up immediately. The operator shall repair or otherwise correct the situation within 48 hours before resuming operations. OCD will be notified within 24 hours of any release greater than 5 bbls. If required, remediation will start as soon as practicable. Operator shall comply with 19.15.29 NMAC and 19.15.30 NMAC; as necessary and appropriate and OCD form C-141 will be submitted promptly.

C-108 ITEM VII – PRODUCED WATER ANALYSES

Item VII.4 – Water Analysis of Source Zone Water

Delaware
Bone Spring
Wolfcamp

Item VII.5 – Water Analysis of Disposal Zone Water

Devonian

Water Analyses follow this page.

C-108 Item VII.5 - Produced Water Data
Trove Energy & Water, LLC - WLC Mid Federal Project Area

SOURCE ZONE

DELAWARE

API No	3001510181	Lab ID	
Well Name	SUPERIOR STATE	Sample ID	5532
	002	Sample No	
Location	ULSTR 08 25 S 30 E	Lat / Long	32.14281 -103.89616
	1980 S 660 E	County	Eddy
Operator (when sampled)			
	Field	CORRAL CANYON	Unit I
Sample Date		Analysis Date	
	Sample Source	SWAB	Depth (if known)
	Water Typ		
ph		alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity		hardness_mgL	
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	155173	resistivity_ohm_cm_temp	
tds_mgL_180C		conductivity	
chloride_mgL	92820	conductivity_temp_F	
sodium_mgL		carbonate_mgL	
calcium_mgL		bicarbonate_mgL	122
iron_mgL		sulfate_mgL	133
barium_mgL		hydroxide_mgL	
magnesium_mgL		h2s_mgL	
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	

Remarks

(Produced water data courtesy of NMT Octane NM WAIDS database.)



**C-108 Item VII.5 - Produced Water Data
Trove Energy & Water, LLC - WLC Mid Federal Project Area**

SOURCE ZONE

BONE SPRING

API No	3002533529	Lab ID	
Well Name	THYME APY FEDERAL 002	Sample ID	6681
		Sample No	
Location	ULSTR 01 23 S 32 E 1650 N 1650 E	Lat / Long	32.33657 -103.62470
		County	Lea
Operator (when sampled)			
	Field RED TANK		Unit G
Sample Date	11/27/2001	Analysis Date	
	Sample Source		Depth (if known)
	Water Typ		
ph	6.1	alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity	1.15	hardness_mgL	
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	172896	resistivity_ohm_cm_temp	
tds_mgL_180C		conductivity	
chloride_mgL	104976	conductivity_temp_F	
sodium_mgL		carbonate_mgL	
calcium_mgL	0	bicarbonate_mgL	781
iron_mgL	0	sulfate_mgL	1150
barium_mgL	0	hydroxide_mgL	
magnesium_mgL	2025	h2s_mgL	0
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	

Remarks

(Produced water data courtesy of NMT Octane NM WAIDS database.)



C-108 Item VII.5 - Produced Water Data
Trove Energy & Water, LLC - WLC Mid Federal Project Area

SOURCE ZONE

WOLFCAMP

API No	3002501678	Lab ID	
Well Name	LAGUNA PLATA FEDERAL UNIT 001	Sample ID	5096
		Sample No	
Location	ULSTR 22 19 S 33 E	Lat / Long	32.64341 -103.64461
	1980 S 710 E	County	Lea
Operator (when sampled)			
	Field TONTO	Unit	I
Sample Date		Analysis Date	
	Sample Source DST	Depth (if known)	
	Water Typ		
ph		alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity		hardness_mgL	
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	46915	resistivity_ohm_cm_temp	
tds_mgL_180C		conductivity	
chloride_mgL	27270	conductivity_temp_F	
sodium_mgL		carbonate_mgL	
calcium_mgL		bicarbonate_mgL	714
iron_mgL		sulfate_mgL	1116
barium_mgL		hydroxide_mgL	
magnesium_mgL		h2s_mgL	
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	
Remarks			

(Produced water data courtesy of NMT Octane NM WAIDS database.)



C-108 Item VII.5 - Produced Water Data
Trove Energy Water, LLC - WLC Mid Federal Project Area
DISPOSAL ZONE

DEVONIAN

API No	3002521082	Lab ID	
Well Name	ANTELOPE RIDGE UNIT 003	Sample ID	5720
		Sample No	
Location	ULSTR 34 23 S 34 E 1980 S 1650 W	Lat / Long	32.25922 -103.46068
		County	Lea
Operator (when sampled)			
	Field ANTELOPE RIDGE	Unit	K
Sample Date	11/14/1967	Analysis Date	
	Sample Source UNKNOWN	Depth (if known)	
	Water Typ		
ph	6.9	alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity		hardness_mgL	
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	80187	resistivity_ohm_cm_temp_	
tds_mgL_180C		conductivity	
chloride_mgL	47900	conductivity_temp_F	
sodium_mgL		carbonate_mgL	
calcium_mgL		bicarbonate_mgL	476
iron_mgL		sulfate_mgL	900
barium_mgL		hydroxide_mgL	
magnesium_mgL		h2s_mgL	
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	

Remarks

(Produced water data courtesy of NMT Octane NM WAIDS database.)



C-108 – Item VIII

Geologic Information

The Devonian and Silurian consist of carbonates including light colored dolomite and chert intervals interspersed with some tight limestone intervals. Several thick sections of porous dolomite capable of taking water are believed present within the subject formations in the area. Depth control data was inferred from deep wells to the south and east. If the base of Devonian and top of Silurian rocks come in as expected the well will only be drilled deep enough for adequate logging rathole.

At a proposed depth of 19,250' BGL (Below Ground Level) the well will TD approximately 2,100' below the estimated top of the Devonian. Mud logging through the interval will ensure the target interval remains in Devonian and Silurian. Once Devonian is determined, the casing shoe depth will be set at an approximate maximum upper depth of 17,150' BGL. Injection will occur through the resulting openhole interval. Should mud or other logs indicate depth adjustment is required to exploit the desired formation as described; sundries with appropriate data will be filed with the OCD.

The Devonian is overlain by the Woodford Shale and Mississippian Lime and underlain by the Middle and Lower Ordovician; Simpson, McKee and Ellenburger.

Fresh water in the area is generally available from the Rustler and Santa Rosa formations. State Engineer's records show water wells in the area with a depth to groundwater of 90 to 185 feet and an average depth of 142 feet.

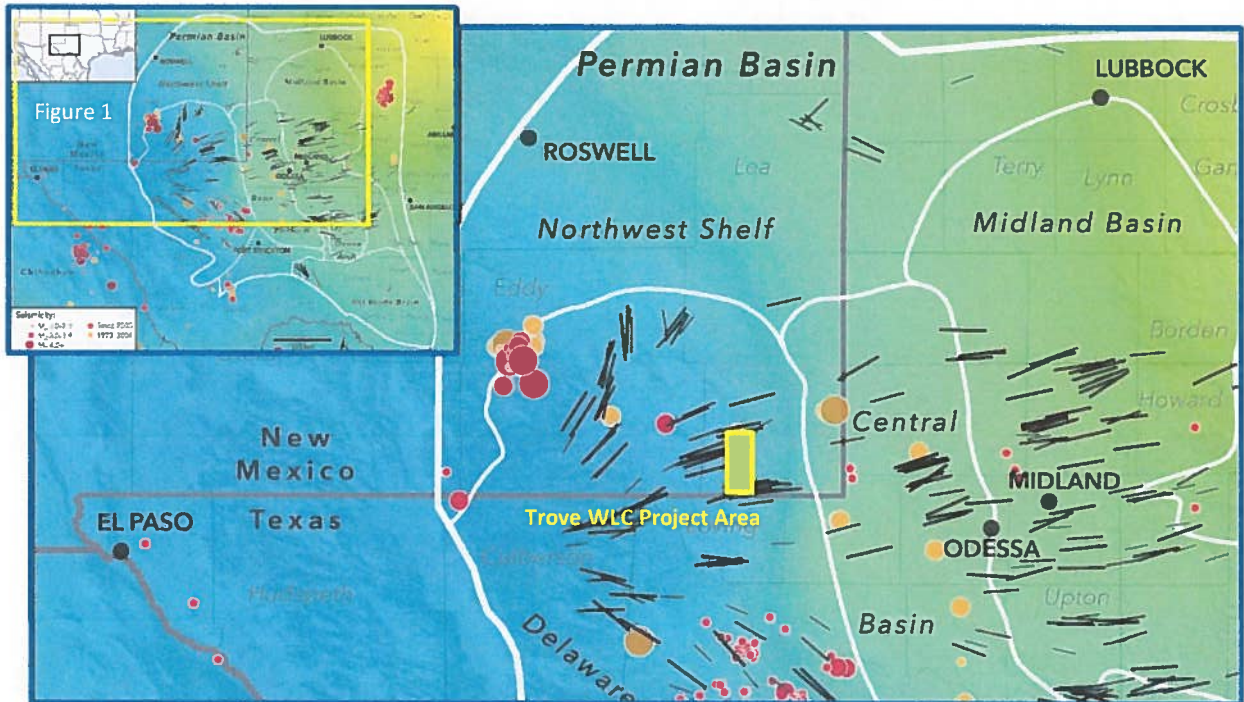
There are NO water wells located within one mile of the proposed SWD however; a representative analysis of area fresh water is included in this application.

C-108 - Item VIII

Geological Data

EARTHQUAKE / SEISMIC INFORMATION SUPPLEMENT

Map Source: State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity (Figure 1); Jens-Erik Lund Snee/ Mark Zoback, February 2018



TROVE PSE PROJECT VICINITY

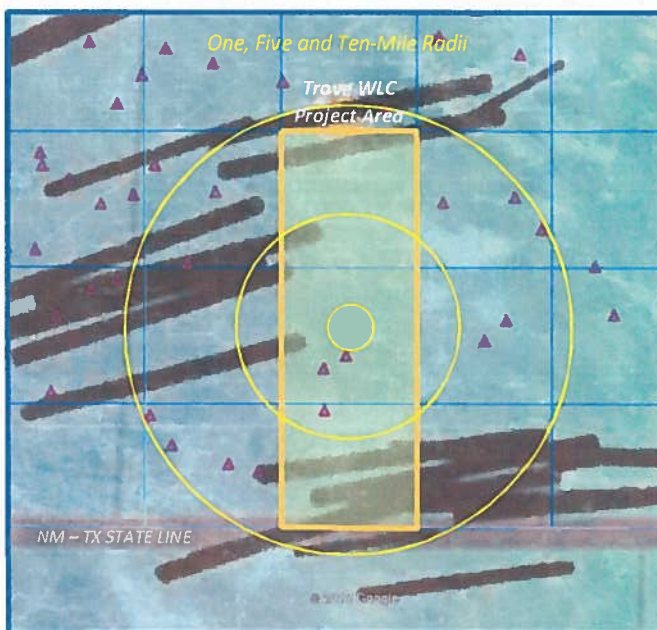


Figure 1. State of stress in the Permian Basin, Texas and New Mexico. Black lines are the measured orientations of the maximum horizontal stress (SHmax), with line length scaled by data quality. The colored background is an interpolation of measured relative principal stress magnitudes (faulting regime) expressed using the A_{θ} parameter (see text for details) of Simpson (1997). Blue lines are fault traces known to have experienced normal-sense offset within the past 1.6 Ma, from the USGS Quaternary Faults and Folds Database (Crone and Wheeler, 2000). The boundary between the Shawnee and Mazatzal basement domains is from Lund et al. (2015), and the Precambrian Grenville Front is from Thomas (2006). The Permian Basin boundary is from the U.S. Energy Information Administration, and the subbasin boundaries are from the Texas Bureau of Economic Geology Permian Basin Geological Synthesis Project. Earthquakes are from the USGS National Earthquake Information Center, the TexNet Seismic Monitoring Program, and Gan and Frohlich (2013). Focal mechanisms are from Saint Louis University (Herrmann et al., 2011).

C-108 - Item VIII

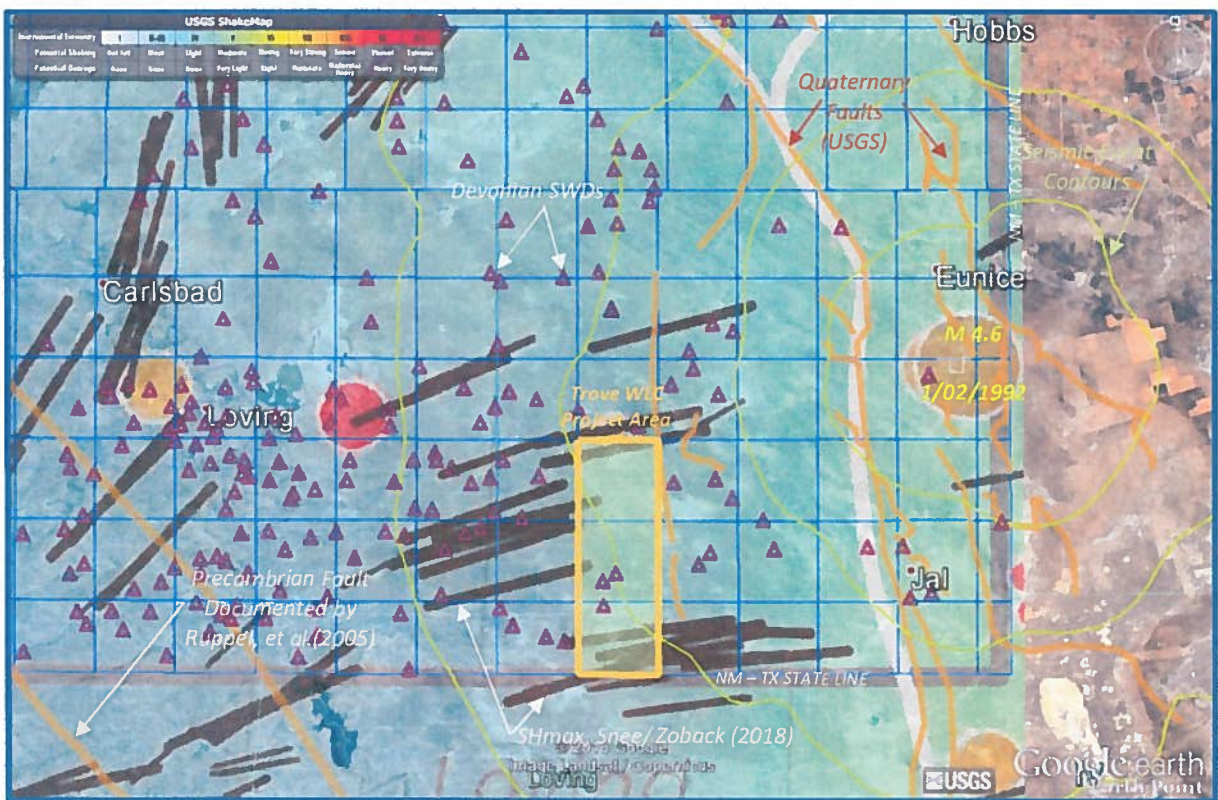
Geological Data

EARTHQUAKE / SEISMIC INFORMATION SUPPLEMENT (cont.)

In the following map, a layer with USGS historical earthquake data is overlaid and, a layer showing lines to represent Precambrian faults as documented by Ruppel, et al. (2005). Finally, a layer showing all currently permitted SWDs completed or proposed to be completed in the Devonian (Silurian) formation.

The USGS earthquakes shown are well known to the area. The 2012 quake located approximately 13 miles due east of Loving is also shown (22.4 miles). This was perhaps the most significant of the area in recent years but was determined to not be related to oil and gas activity. The best known and largest in recent history was the 1992, 4.6 magnitude quake centered south of Eunice, NM (29.5 miles).

The Precambrian faults and existing Devonian SWDs are discussed in more detail on the next page.



REGIONAL VIEW - DEVONIAN SWD LOCATIONS, PRECAMBRIAN FAULTS, S_{Hmax} , USGS MAGNITUDE

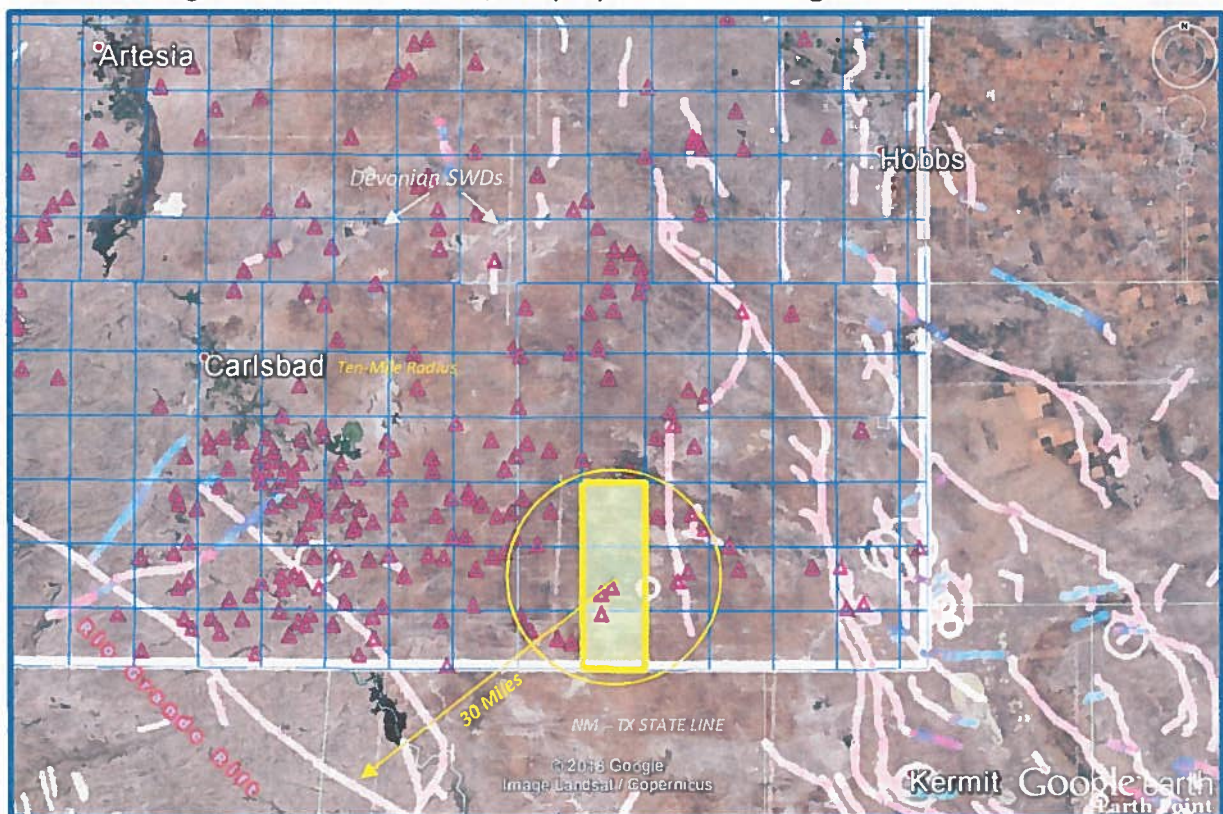
C-108 - Item VIII

Geological Data

EARTHQUAKE / SEISMIC INFORMATION SUPPLEMENT (cont.)

The primary Precambrian faults in the area as documented by Ruppel, et al. (2005) is represented on this map by the thick, pink colored lines. The most significant of these is the fault associated with the Rio Grande Rift, running southeast to northwest and, runs adjacent to a portion of Hwy 285 however; only a small portion the associated fault which runs parallel approximately 15 miles northeast is depicted below. The Trove WLC Project SWD Area is located some 30 miles from the fault. Other documented faults (USGS, 2000) are shown for eastern Lea County and extending into west Texas. Other Devonian SWDs in the area are also shown (small purple triangles) completed or proposed to be completed in the Devonian (Silurian) formation.

The previously referenced study by Snee and Zoback (shown on previous exhibits) evaluated the strike-slip probability using probabilistic FSP (Fault Slip Potential) analysis of known faults in the Permian Basin. The study predicts that the Precambrian fault shown here has less than a 10% probability of being critically stressed to the point of creating an induced seismicity event. The main reason for the low probability is due to the relationship of the strike of the fault to the regional S_{Hmax} orientation; the proposed SWD being well removed from the area.

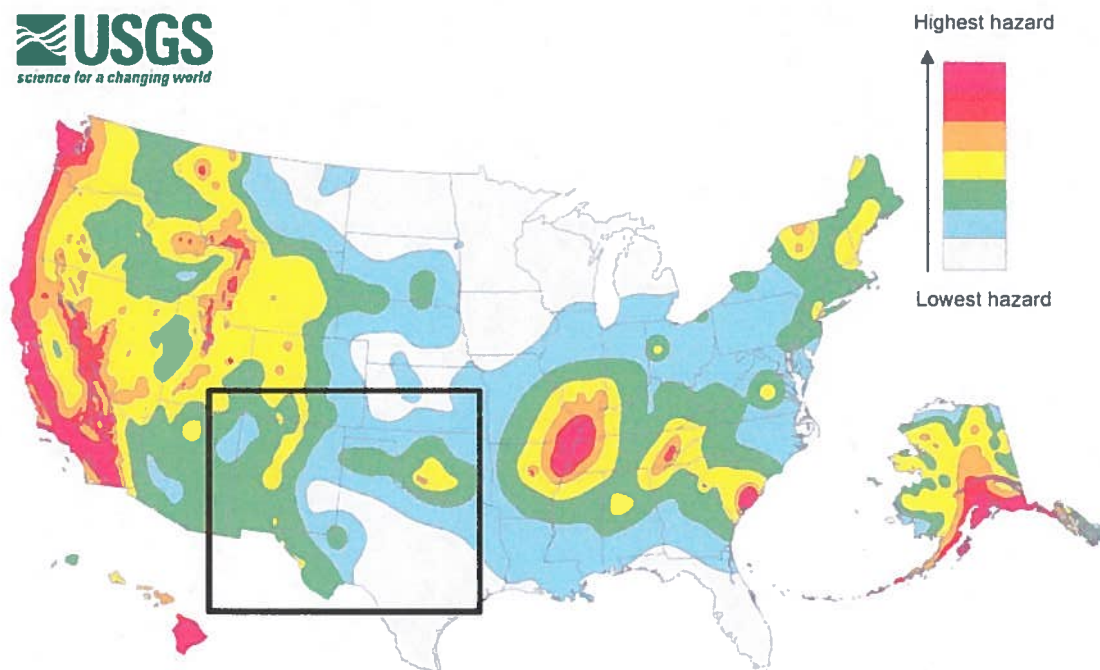


VICINITY - PERMITTED DEVONIAN SWDs, COMPOSITE FAULTS

C-108 - Item VIII

Geological Data

EARTHQUAKE / SEISMIC INFORMATION SUPPLEMENT (cont.)



2014 map data: The USGS notes in its report that **fracking** may be to blame for a sizeable uptick in earthquakes in places like **Oklahoma**. "Some states have experienced increased seismicity in the past few years that may be associated with human activities such as the disposal of wastewater in deep wells," the report says. USGS hopes to use that data in future maps but it isn't included in this one. "Injection-induced earthquakes are challenging to incorporate into hazard models because they may not behave like natural earthquakes and their rates change based on man-made activities," the report says.

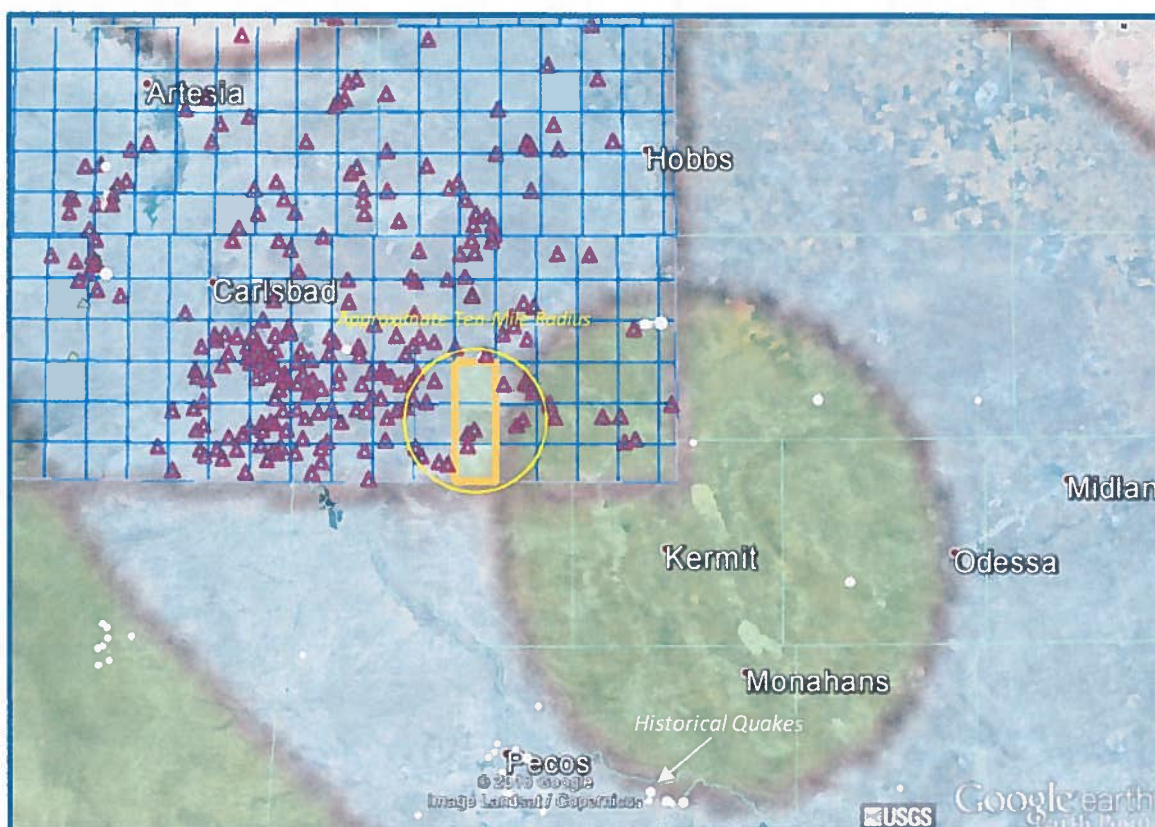


C-108 - Item VIII

Geological Data

EARTHQUAKE / SEISMIC INFORMATION SUPPLEMENT (cont.)

USGS 2014 REGIONAL MAP DATA OVERLAY IN GOOGLE EARTH W/ HISTORICAL EARTHQUAKES



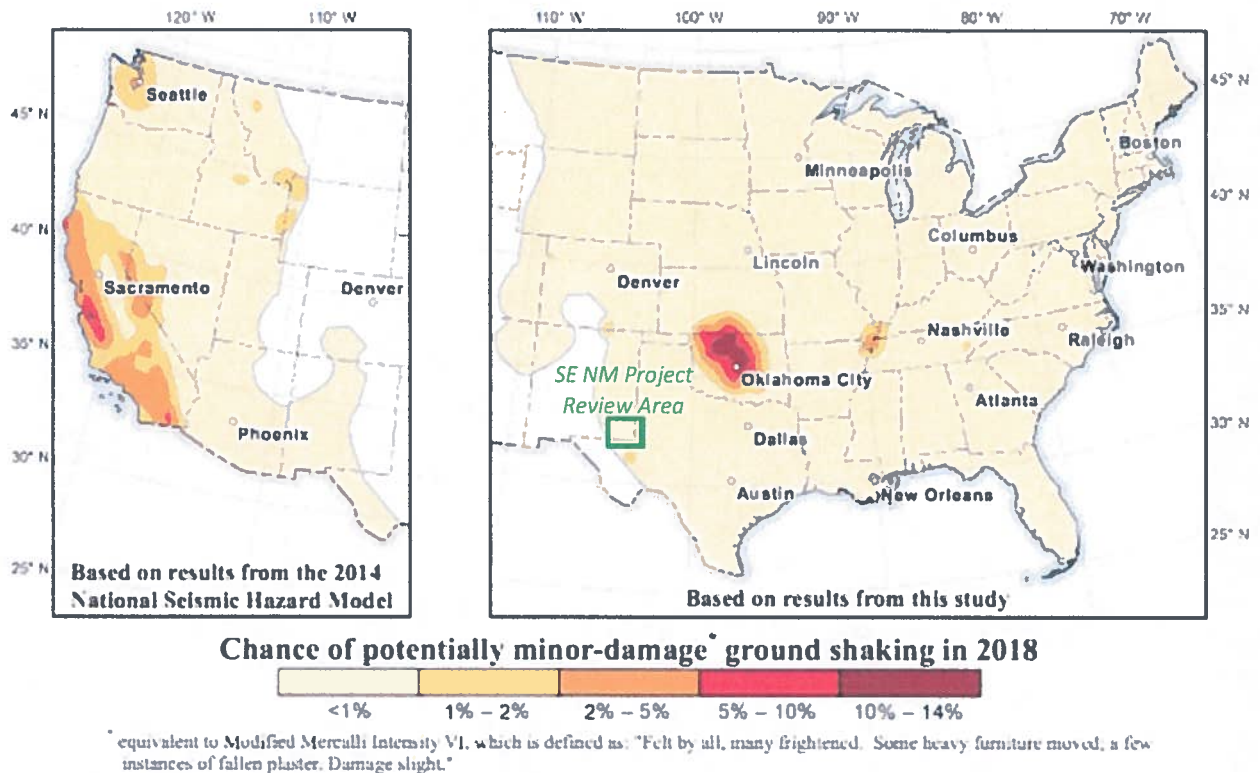
An updated USGS map for 2018 is on the next page. While methodology remained essentially the same according to USGS, the interpreted results and color-coding did have some modification. However, the subject area in southeast New Mexico on both maps remains very low and on the 2018 map, the area is assigned a value of <math><1\%</math> of “potentially minor-damage ground shaking”.

C-108 - Item VIII

Geological Data

EARTHQUAKE / SEISMIC INFORMATION SUPPLEMENT (cont.)

USGS 2018 ONE-YEAR MODEL



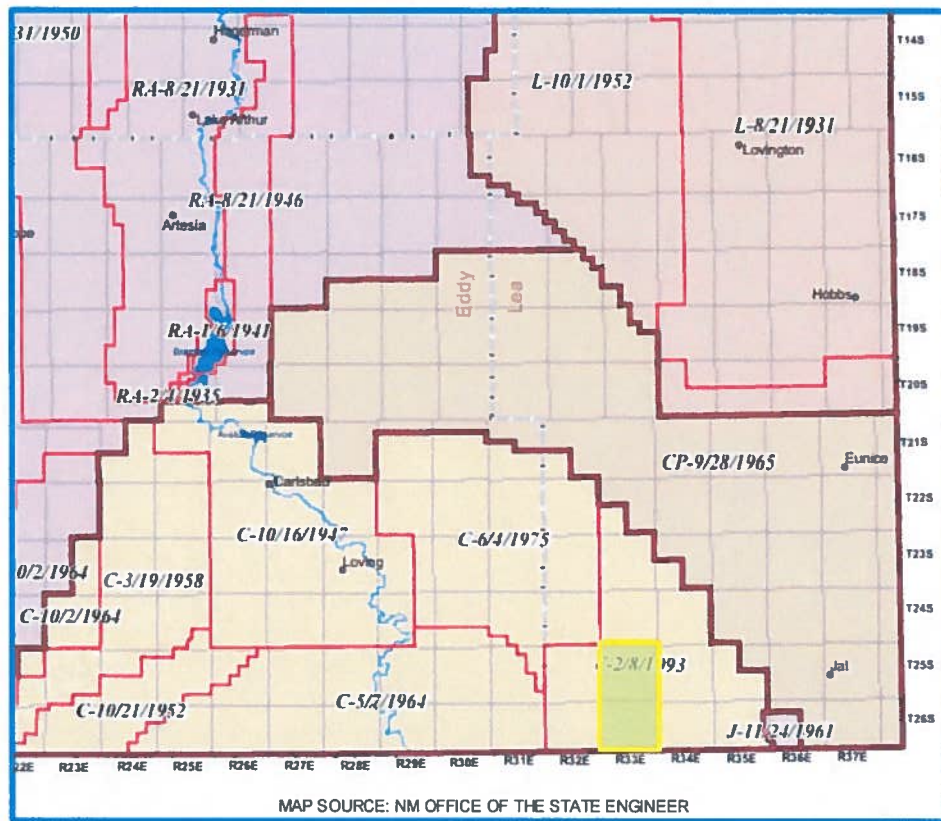
Map showing chance of damage from an earthquake in the Central and Eastern United States during 2018. Percent chances are represented as follows: pale yellow, less than 1 percent; dark yellow, 1 to 2 percent; orange, 2 to 5 percent; red, 5 to 10 percent; dark red, 10 to 12 percent. See Hazard from the western United States from the [2014 National Seismic Hazard Maps \(Petersen et al., 2014\)](#) for comparison.

The USGS has produced the 2018 one-year probabilistic seismic hazard forecast for the central and eastern United States from induced and natural earthquakes. For consistency, the updated 2018 forecast is developed using the same probabilistic seismicity-based methodology as applied in the two previous forecasts.

Based on publicly available data for the subject area, it is reasonable to believe the risk of induced seismic activity due to disposal injection into this well is extremely low.

C-108 - Item XI

Groundwater Basins - Water Column / Depth to Groundwater



The subject well is located within the Carlsbad Basin.

Fresh water in the area is generally available from the Rustler and Santa Rosa formations. State Engineer's records show water wells in the area with a depth to groundwater of 90 to 185 feet and an average depth of 142 feet.

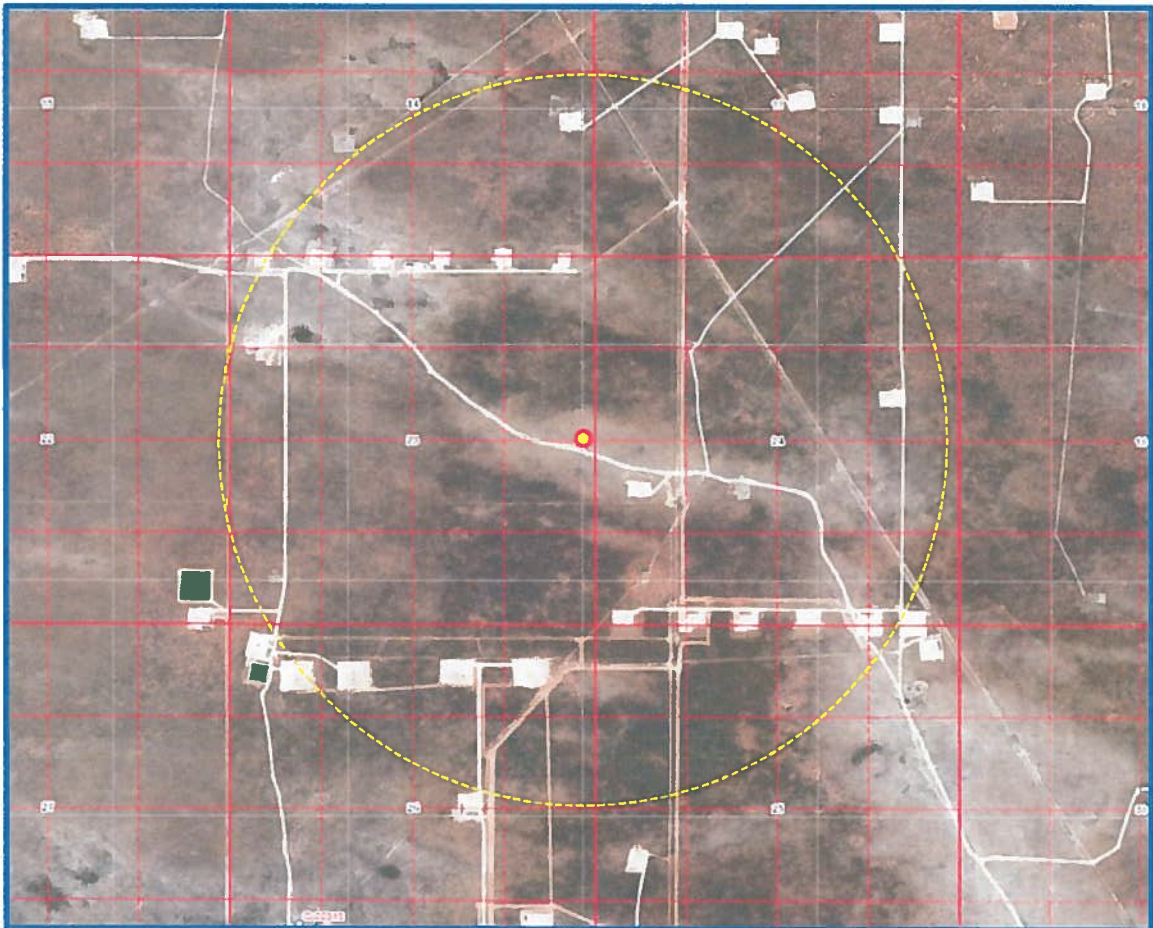
There are NO water wells located within one mile of the proposed SWD.

C-108 Item XI

Water Wells Within One Mile

WLC Mid Federal SWD No.2 - Water Well Locator Map

There are NO water wells/ PODs within a one-mile radius of the proposed SWD.

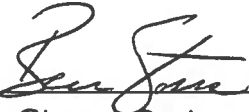


Data from NM Office of the State Engineer displayed in OSE-GIS System.

C-108 ITEM XII

Geologic Affirmation

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.



Ben Stone, Partner
SOS Consulting, LLC

Project: Trove Energy and Water, LLC
WLC Mid Project Area
Reviewed 3/5/2019

C-108 ITEM XIII – PROOF OF NOTIFICATION

IDENTIFICATION AND NOTIFICATION OF INTERESTED PARTIES

Exhibits for Section

Affected Parties Map

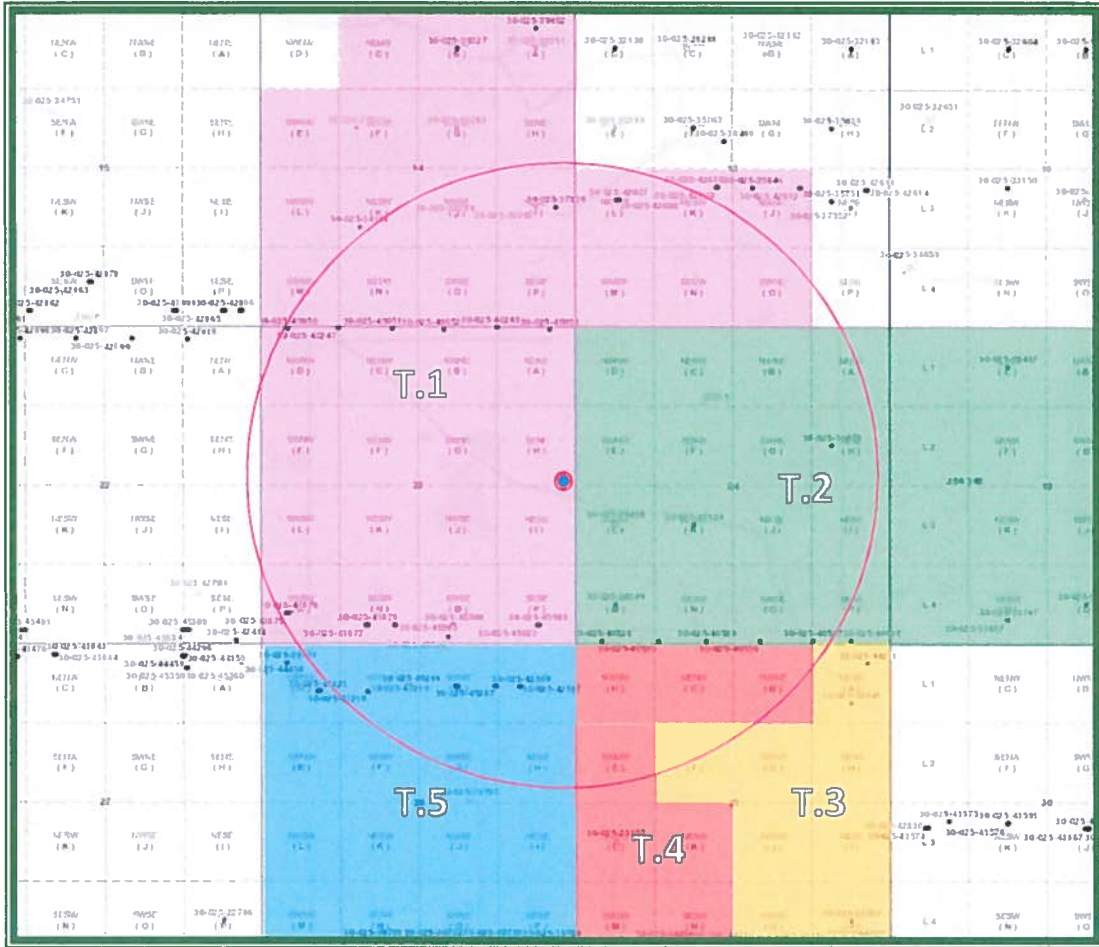
List of Interested Parties

Notification Letter to Interested Parties

Proof of Certified Mailing

Published Legal Notice

WLC Mid Federal SWD Well No.2 – Affected Parties Plat
 (Attachment to NMOCD Form C-108, Application for Authority to Inject.)



LEGEND

- T.1 – NMNM-108503 – EOG Resources, Inc.
- T.2 – NMNM-108504 – EOG Resources, Inc.
- T.3 – NMNM-114987 – COG Operating, LLC
- T.4 – NMNM-121958 – Newkumet Exploration, Inc.
- T.5 – VB-1511-0001 – EOG Resources, Inc.

C-108 ITEM XIII – PROOF OF NOTIFICATION AFFECTED PARTIES LIST

**SOS Consulting is providing electronic delivery of C-108 applications.
ALL APPLICABLE AFFECTED PARTIES ARE PROVIDED A LINK IN THE NOTICE LETTER
TO A SECURE SOS/ CITRIX SHAREFILE® SITE TO VIEW AND DOWNLOAD
A FULL COPY OF THE SUBJECT C-108 APPLICATION IN PDF FORMAT.**

"AFFECTED PERSON" MEANS THE DIVISION DESIGNATED OPERATOR; IN THE ABSENCE OF AN OPERATOR, A LESSEE WHOSE INTEREST IS EVIDENCED BY A WRITTEN CONVEYANCE DOCUMENT EITHER OF RECORD OR KNOWN TO THE APPLICANT AS OF THE DATE THE APPLICANT FILES THE APPLICATION; OR IN THE ABSENCE OF AN OPERATOR OR LESSEE, A MINERAL INTEREST OWNER WHOSE INTEREST IS EVIDENCED BY A WRITTEN CONVEYANCE DOCUMENT EITHER OF RECORD OR KNOWN TO THE APPLICANT AS OF THE DATE THE APPLICANT FILED THE APPLICATION FOR PERMIT TO INJECT.; PER OCD RULES NMAC 19.15.26.7, A. AND 19.15.26.8, B.2.

SURFACE OWNER

- 1 U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220
Certified: 7018 0360 0001 8569 6934

OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)

**BLM Leases NMNM-108503, 108504 and State Lease VB-1511-0001
(T.1, T.2 and T.5 on Map)**

Lessee & Operator

- 2 EOG RESOURCES, INC.
105 S. 4th St.
Artesia, NM 88210
Certified: 7018 0360 0001 8569 6927

BLM Lease NMNM-110383 (T.3 on Map)

Lessee & Operator

- 3 COG OPERATING, LLC
Attn: Brian Collins
2208 W. Main Street
Artesia, New Mexico 88210-3720
Certified: 7018 0360 0001 8569 6910

BLM Lease NMNM-015321 (T.4 on Map)

Lessee

NEWKUMET EXPLORATION, INC.
500 W Texas Ave # 1410
Midland, TX 79701

Operator

COG OPERATING, LLC
Attn: Brian Collins
2208 W. Main Street
Artesia, New Mexico 88210-3720

**C-108 ITEM XIII – PROOF OF NOTIFICATION
AFFECTED PARTIES LIST (cont.)**

OFFSET MINERALS OWNERS (Notified via USPS Certified Mail)

U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

- 4 STATE OF NEW MEXICO
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504
Certified: 7018 0360 0001 8569 6903

REGULATORY

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)
1220 S. St. Francis Dr.
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)
1625 N. French Drive
Hobbs, NM 88240

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

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Total Postage and Fees \$ 6.85

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Street and Oil & Gas Division
City, State, 620 E. Greene St.
Carlsbad, NM 88220

PS Form 3800, October 2009

COMO TX 75
MAR 18 2011
Postmark Here

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Adult Signature Restricted Delivery \$ _____

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Total Postage and Fees \$ 6.85

Sent To EOG RESOURCES, INC.
Street and 105 S. 4th St.
City, State, Artesia, NM 88210

PS Form 3800, October 2009

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Total Postage and Fees \$ 6.85

Sent To COG OPERATING, LLC
Street and Attn: Brian Collins
City, State, 2208 W. Main Street
Artesia, New Mexico 88210-3720

PS Form 3800, October 2009

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Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$.55

Total Postage and Fees \$ 6.85

Sent To STATE OF NEW MEXICO
Street and Oil, Gas and Minerals Division
City, State, 310 Old Santa Fe Trail
Santa Fe, NM 87504

PS Form 3800, October 2009

COMO TX 75
MAR 18 2011
Postmark Here

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

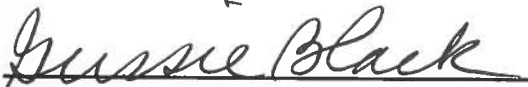
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
March 14, 2019
and ending with the issue dated
March 14, 2019.



Publisher

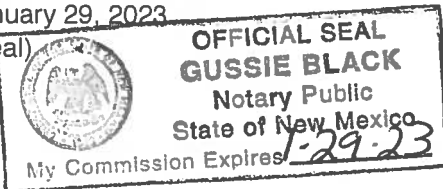
Sworn and subscribed to before me this
14th day of March 2019.



Business Manager

My commission expires
January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGALS

LEGAL NOTICE
MARCH 14, 2019

Trove Energy and Water, LLC, 1919 North Turner, Hobbs, NM 88240, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the WLC Mid Federal SWD Well No.2 will be located 2595' FNL & 195' FEL, Section 23, Township 25 South, Range 33 East, Lea County, New Mexico, approximately 20.1 miles west of Jal, NM.

Produced water from area production will be commercially disposed into the Devonian, Silurian and Fusselman formations at a maximum interval depth of 17,150' to 19,250' at a maximum surface pressure of 3430 psi and a rate limited only by such pressure. Mudlogging and e-logs will confirm final interval depths.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email info@sosconsulting.us. #33879

67104420

00225803

BEN STONE
SOS CONSULTING, LLC.
P.O. BOX 300
COMO, TX 75431

Murphy, Kathleen A, EMNRD

From: Ramona Hovey <ramona@lonquist.com>
Sent: Thursday, October 3, 2019 9:44 AM
To: Murphy, Kathleen A, EMNRD
Subject: [EXT] RE: status of Ross Ranch 23 SWD #1 application

We did submit the application in early June. To date, we have not received a response or communication of any nature regarding this application. We certainly would appreciate any insight on where this application is currently in the OCD queue.

Regards,

Ramona Hovey
Sr. Petroleum Engineer

LONQUIST & CO. LLC



Office: 512-600-1777 Cell: 512-585-0654
12912 Hill Country Blvd., Suite F-200, Austin, Texas, 78738
ramona@lonquist.com · www.lonquist.com

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From: Murphy, Kathleen A, EMNRD <KathleenA.Murphy@state.nm.us>
Sent: Thursday, October 3, 2019 9:56 AM
To: Ramona Hovey <ramona@lonquist.com>
Subject: status of Ross Ranch 23 SWD #1 application

Ms. Hovey,

I apologize—the OCD has changeover of staff and I am trying to determine the status of some SWD applications. Do you know the status of the Ross Ranch 23 SWD #1 Application? Have you been notified of a response to the application from OCD staff? I believe it was submitted in June of 2019.

Thank you.

Kathleen Murphy
Petroleum Specialist - Advanced
Engineering Bureau
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico
Direct: 505.476.3467
Email: KathleenA.Murphy@state.nm.us

[External email]