

Additional Information

Notice to BLM
05/05/2021

APPLICATION FOR AUTHORIZATION TO INJECT

NOTICE IS HEREBY GIVE: SEGURO OIL AND GAS, LLC, 407 N. BIG SPRING STREET, SUITE 215, MIDLAND, TX 79701, is requesting that the New Mexico Oil Conservation Division administratively approve the APPLICATION FOR AUTHORIZATION TO INJECT as follows:

PURPOSE: The intended purpose of the injection well is to dispose of salt water produced from permitted oil and gas wells.

WELL NAME AND LOCATION: JCT 7 Federal #1
Located 15 miles east of Crossroads, NM
OR 6 miles southwest of Bledsoe, TX
NE4 of SE4, Sec 7, T9S, Range 38E
Lea County, NM

NAME AND DEPTH OF DISPOSAL ZONE: Devonian 11,673.5' – 11,681'

EXPECTED MAXIMUM INJECTION RATE: 3,000 bbl/day

EXPECTED MAXIMUM INJECTION PRESSURE: 2780 psi (surface)

Objections or requests for hearing must be filed with the New Mexico Oil Conservation Division within fifteen (15) days. Any objection or request for hearing should be mailed to the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

Additional information may be obtained by contacting Paul Anderson at (432) 219-0740 Extension 10 or via cell phone at (432) 559-6260.

Rose-Coss, Dylan H, EMNRD

From: Donna Sturdivant <Donna@seguro-llc.com>
Sent: Friday, April 23, 2021 8:14 AM
To: Rose-Coss, Dylan H, EMNRD; 'Jack Bradley'
Cc: 'Paul Anderson'
Subject: RE: [EXT] FW: JCT Federal 7 1341493 SWD-24121
Attachments: C-108.pdf; Certified Letters.docx

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Red Category

Jack,
All this information was sent with the letters to the owners/operators. We sent a copy of the C108 when we sent the letters. (Copy attached)
So we have to redo the notifications?

Donna Sturdivant
Office Manager/Regulatory
432-219-0740 Ext. 14

From: Rose-Coss, Dylan H, EMNRD <DylanH.Rose-Coss@state.nm.us>
Sent: Wednesday, April 21, 2021 11:33 AM
To: Jack Bradley <jack@seguro-llc.com>
Cc: 'Donna Sturdivant' <donna@seguro-llc.com>; 'Paul Anderson' <paul@seguro-llc.com>
Subject: RE: [EXT] FW: JCT Federal 7 1341493 SWD-24121

Mr. Bradley,

Thanks for supplying the additional information. The administrative completeness requirements are now satisfied, with the exception of the BLM notice. I appreciate that the agency was provided a sundry notice, however, what is typically required is a "notice for an application for authorization to inject". I've attached an example of a notice form typically sent to offset operators and land owners in the AOR.

Please correct me if I'm mistaken and something of that nature has already been provided to BLM, but until I receive confirmation, the application will remain administratively incomplete.

Regards,

Dylan Rose-Coss

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

C: (505) 372-8687



From: Jack Bradley <jack@seguro-llc.com>
Sent: Tuesday, April 20, 2021 4:32 PM
To: Rose-Coss, Dylan H, EMNRD <DylanH.Rose-Coss@state.nm.us>
Cc: 'Donna Sturdivant' <donna@seguro-llc.com>; 'Paul Anderson' <paul@seguro-llc.com>
Subject: [EXT] FW: JCT Federal 7 1341493 SWD-24121

Dylan, please see responses to your requests below (marked in red). Please also note attachments in support of those requests.

Thank you sir,

Jack Bradley
Geologist
Seguro Oil and Gas, LLC
(O) 432.219.0740
(C) 432.230.4949
jack@seguro-llc.com

From: "Rose-Coss, Dylan H, EMNRD" <DylanH.Rose-Coss@state.nm.us>
Date: April 14, 2021 at 6:27:21 PM CDT
To: donna@seguro-llc.com
Cc: "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us>, "Lamkin, Baylen, EMNRD" <Baylen.Lamkin@state.nm.us>, "Murphy, Kathleen A, EMNRD" <KathleenA.Murphy@state.nm.us>, "Bustamante, Amalia, EMNRD" <Amalia.Bustamante@state.nm.us>, "Sanchez, Daniel J., EMNRD" <daniel.sanchez@state.nm.us>
Subject: JCT Federal 7 1341493

Donna Sturdivant:

Members of the OCD Underground Injection Control (UIC) team have performed an administrative completeness review for the Seguro Oil and Gas, LLC, C-108 application.

The JCT Federal 7 injection application has been assigned the following tracking numbers: SWD-2412 & pBL2107645690. The admin files associated with the application can be tracked using the following link: <https://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pBL2107645690>

Reference# SWD: 2412

The administrative completeness review indicated that additional information is needed for UIC staff to continue with the technical review. The application is currently lacking sufficient details regarding:

- Sources and analysis of injection fluid, and compatibility with receiving formation if injection fluid is not produced water.

Water analysis attached (*[Item7 4&5. Roswell Geological Society Sawyer Devonian Paper.pdf](#)*).

Seguro Oil & Gas, LLC proposes to inject produced Devonian (Sawyer Devonian Field) water into the Devonian formation.

- Statement of wells intended purpose i.e. will well be used for commercial injection purposes?
JCT Federal "7" #1 well is intended for lease disposal only at this time.
- A description of all USDW aquifers overlying the proposed injection interval, including geologic name and depth to bottom.
 1. The oldest known strata in the region to potentially contain fresh water is within the Dockum Group, which is Triassic in age. Its formations from oldest to youngest include the Santa Rosa, Tecovas, Trujillo, Cooper Canyon, and Redonda formations. It is unclear from publicly available sources that the water bearing parts of the Dockum Group are present in the immediate area due to erosion of the formation in the far northern end of the Permian Basin. However, it is a significant enough source of fresh water to be mentioned for the scope of this application. Due to its potential absence, there is no known depth to bottom of water for this Group or any locatable wells in the area which report to be producing from any of the formations within the Dockum Group. Please note: Dockum Group is also sometimes referred to in the literature as the Chinle Group.
 2. The next youngest known strata in the region to produce fresh water, is the Lower Cretaceous. Most common occurrences of fresh water is within the thinly bedded sandstones at the base of the Tucumcari Shale formation within the Lower Cretaceous. One water well was documented to exist within the JCT 7 region but not within its AOR (located in SW4/SW4 of section 24, T9S-R37E). Please see attached *[Item8Supp. GoogleEarth JCT7 WtrWell.jpeg](#)* and *[Item8Supp. Acquiifer Map Lea Co ZOOM.pdf](#)* for its location in map view. Depth to top of water("TOW") as shown in *[Item8Supp. GoogleEarth JCT7 WtrWell.jpeg](#)* for that well(Sec24) is 196ft (+3774ft SS). No bottom depth was recorded for total depth of the well, base of the formation, or the base of water.
 3. The youngest and main water source for the majority of the region is the Ogallala formation which is Pliocene in age. The Ogallala aquifer primarily consists of fine grained sandstones, conglomerates, and some calcitic sandstones. The chief productive lithology is unconsolidated and poorly cemented sandstones. While most publicly available maps will show that the Ogallala is present through much of eastern half of Lea Co., NM, a "Ground-Water Conditions in Northern Lea County, New Mexico" geologic map prepared by the Department of the Interior USGS in cooperation with the New Mexico State Engineer by Sidney R. Ash, 1963 will demonstrate the Ogallala is not present within the AOR of the JCT 7 #1 proposed injector. Please see attached *[Item8Supp. GoogleEarth JCT7 WtrWell.jpeg](#)*, *[Item8Supp. Acquiifer Map Lea Co.pdf](#)*, and *[Item8Supp. Acquiifer Map Lea Co ZOOM.pdf](#)*. The closest Ogallala sourced well documented in the region was drilled in the NW/4 of Sec 16, T9S-R38E and is approximately 1.35miles from the

proposed JCT 7 #1 injector. Top of water was recorded at 270' (+3685' SS) and no bottom of water, formation, or total depth was reported.

Please note: The top of the Rustler Formation in the JCT Fed 7 #1 is at 2,338ft (+1,652' SS). On average, surface casing setting depths in the area have been set from 350ft to 520ft from the 1960's through 2007 vintage wellbores. It is my opinion that the bottom of USDW is most likely around 500ft.

- A description of stimulation process or statement that none will be conducted.
Acid Job. Please see stimulation detail in attached procedure, Item9Supp. JCT Federal 7 #1 convert well to water injection Devonian ONLY.doc
- Chemical analysis of fresh water from two or more fresh water wells (if available and producing) within 1 mile of the proposed well, including location and sampling date(s).
 - If there are no fresh water wells in the AOR, or if wells are unlocatable, then provide a statement to that extent.
See 4 attachments ("Item8&11 [4attachements]") which identify the search results performed through the New Mexico Office of the State Engineer website for area water wells. Please also see Item8Supp. GoogleEarth JCT7 WtrWell.jpeg, which is a screen shot of GoogleEarth with the publicly available water well locations plotted for reference in relation to a 1mile radius circle of the proposed injector. There were no publicly locatable water wells located within 1 mile of the proposed injection well.
- Statement of qualified person endorsing the application, including name, title, and qualifications.
*Jack Bradley – Geologist: Bachelors of Science in Geology (Sul Ross State University, 2009). 17years of industry experience with focus in the Permian Basin.
Ross Pearson, P.E. – Operations Engineer: Bachelor of Science in Petroleum Engineering (New Mexico Institute of Mining & Technology, 1984_TX License#70789). 36years of Industry experience with focus in the Permian Basin.*
- Provide notice to the BLM of the application as per 19.15.2.7(A)(8)(d) NMAC.
Donna Sturdivant (Seguro Oil & Gas, LLC's Regulatory Clerk) sent in a Sundry Notice to the BLM but was advised to wait for NMOCD approval of the C-108. Please advise if this should be approached differently.

Additionally, at this time, UIC wells are not permitted to inject into two separate disposal intervals. Please rectify the application so only one interval is being applied for.

Please see new procedure and proposed wellbore diagram. (Item9Supp. JCT Federal 7 #1 convert well to water injection Devonian ONLY.doc & Item3Supp. JCT 7#1 WBD 4-15-21 Proposed.pdf)

Once the requested additional information is received, staff will conduct a more thorough technical review of the application.

Please feel free to reach out should you there be any questions.

Regards,

Dylan Rose-Coss

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

C: (505) 372-8687

Rose-Coss, Dylan H, EMNRD

From: Donna Sturdivant <Donna@seguro-llc.com>
Sent: Thursday, May 13, 2021 7:41 AM
To: Rose-Coss, Dylan H, EMNRD
Subject: [EXT] FW: Application for Authorization to inject JCT 7 Federal #1 30-025-38350
Attachments: APPLICATION FOR AUTHORIZATION TO INJECT JCT 7 Fed #1.docx

Follow Up Flag: Follow up
Flag Status: Flagged

I am trying to followup on the status of our C108.
I checked the online and it shows rejected but I can't see why.
I also do not know what my next step is to get this process completed.
Any help is greatly appreciated.
Thank you.

Donna Sturdivant
Office Manager/Regulatory
432-219-0740 Ext. 14

-----Original Message-----

From: Donna Sturdivant <Donna@seguro-llc.com>
Sent: Friday, April 23, 2021 10:53 AM
To: 'Porter, Jeromy J' <jjporter@blm.gov>
Cc: 'Rose-Coss, Dylan H, EMNRD' <DylanH.Rose-Coss@state.nm.us>; 'Jack Bradley' <jack@seguro-llc.com>; Paul Anderson <paul@seguro-llc.com>; Ross Pearson <ross@seguro-llc.com>
Subject: Application for Authorization to inject JCT 7 Federal #1
30-025-38350

Mr. Porter,

Attached is the document that is required for the approval from the OCD to notify the BLM of our request for the Application for Authorization to Inject for the JCT 7 Federal #1, API 30-025-38350.
If you need the original copy mailed to your office, I will be glad to do so.
If you have any questions, please feel free to contact us.
Thank you in advance for your help.

Donna Sturdivant
Office Manager/Regulatory
432-219-0740 Ext. 14

Certified Mail #: 7019 2280 0001 0807 7039
Return Receipt Requested

Tommy Gene Gandy
1646 St. 508 Hwy
Crossroads, NM 88114

RE: Seguro Oil and Gas – JCT 7 Federal #1, API Number 30-025-38350

To Whom It May Concern,

As per New Mexico's Oil Conservation Division rules, please let this letter and the attached copies of the form C-108 and the instruction sheets serve as notice of Seguro Oil and Gas LLC's intent to convert the above-referenced well into a water disposal well.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Paul Anderson".

S. Paul Anderson
President

Certified Mail #: 7019 2280 0001 0807 7015
Return Receipt Requested

KEM Ventures, LP
22136 Westheimer Parkway #358
Katy, Texas 77450

RE: Seguro Oil and Gas – JCT 7 Federal #1, API Number 30-025-38350

To Whom It May Concern,

As per New Mexico's Oil Conservation Division rules, please let this letter and the attached copies of the form C-108 and the instruction sheets serve as notice of Seguro Oil and Gas LLC's intent to convert the above-referenced well into a water disposal well.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Paul Anderson", with a stylized flourish at the end.

S. Paul Anderson
President

Certified Mail #: 7019 2280 0001 0807 7022
Return Receipt Requested

Prime Operating Company
3300 N. "A" Street, #1-238
Midland, TX 79705

RE: Seguro Oil and Gas – JCT 7 Federal #1, API Number 30-025-38350

To Whom It May Concern,

As per New Mexico's Oil Conservation Division rules, please let this letter and the attached copies of the form C-108 and the instruction sheets serve as notice of Seguro Oil and Gas LLC's intent to convert the above-referenced well into a water disposal well.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Paul Anderson", with a stylized flourish at the end.

S. Paul Anderson
President