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

APPLICATION OF NGL WATER SOLUTIONS PERMIAN, LLC FOR APPROVAL OF SALT WATER DISPOSAL WELL IN LEA COUNTY, NEW MEXICO

Case No. 20.57.5

APPLICATION

NGL Water Solutions Permian, LLC ("NGL"), OGRID No. 372338, through its undersigned attorneys, hereby makes this application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-12, for an order approving drilling of a salt water disposal well in Lea County, New Mexico. In support of this application, NGL states as follows:

- 1. NGL proposes to drill the Ghost Rider SWD #1 well at a surface location 1,585 feet from the South line and 270 feet from the East line of Section 30, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well.
- 2. NGL seeks authority to inject salt water into the Silurian-Devonian formation at a depth of 18,953' to 20,729'.
- 3. NGL further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5½ inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day.
- 4. NGL anticipates using an average pressure of 2,843 psi for this well, and it requests that a maximum pressure of 3,790 psi be approved for the well.
 - 5. A proposed C-108 for the subject well is attached hereto as Exhibit A.

6. The granting of this application will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, NGL requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2019; and that after notice and hearing, the Division enter its order approving this application.

Respectfully submitted,

ABADIE & SCHILL, P.C.

Lara Katz

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Attorneys for NGL Water Solutions Permian, LLC CASE NO. 2057. Application of NGL Water Solutions Permian, LLC for approval of salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving disposal into the Silurian-Devonian formation through the Ghost Rider SWD #1 well at a surface location 1,585 feet from the South line and 270 feet from the East line of Section 30, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico for the purpose of operating a salt water disposal well. NGL seeks authority to inject salt water into the Silurian-Devonian formation at a depth of 18,953' to 20,729'. NGL further seeks approval of the use of 7 inch tubing inside the surface and intermediate casings and 5½ inch tubing inside the liner and requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said location is 11.7 miles Southwest of Bennett, New Mexico.

RECEIVED:	REVIEWER:	TYPE:	APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CON - Geological & Engine 1220 South St. Francis Drive,	eering Bureau –
ADMINISTRATIVE APPL	
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE REGULATIONS WHICH REQUIRE PROCESSIN	APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND G AT THE DIVISION LEVEL IN SANTA FE
Applicant: NGL WATER SOLUTIONS PERMIAN LLC	OGRID Number: 372338
Well Name: GHOST RIDER SWD#1 Pool: SWD: DEVONIAN-SILURIAN	API: TBD Pool Code: 97869
1001.	roorcode.
SUBMIT ACCURATE AND COMPLETE INFORMATION INDICATES	
1) TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Dec	
B. Check one only for [1] or [1] [1] Commingling – Storage – Measurement DHC CTB PLC PC [11] Injection – Disposal – Pressure Increase WFX PMX SWD IPI 2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, reven C. Application requires published notice D. Notification and/or concurrent approva E. Notification and/or concurrent approva F. Surface owner G. For all of the above, proof of notification H. No notice required 3) CERTIFICATION: I hereby certify that the informat administrative approval is accurate and comple understand that no action will be taken on this a notifications are submitted to the Division.	OLS OLM Enhanced Oil Recovery EOR PPR apply. Wotice Complete Application Content Complete or publication is attached, and/or, ion submitted with this application for the to the best of my knowledge. I also
Note: Statement must be completed by an individ	ual with managerial and/or supervisory capacity.
	4/23/2019 Date
CHRIS WEYAND	Dale
Print or Type Name	512-600-1764
	Phone Number
(1 - 1)	
1 ~ ~ ~ ~	CHRIS@LONQUIST.COM
Signature	e-mail Address
EXHIE	BIT

EXHIBIT
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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Stora Application qualifies for administrative approval? X Yes No	ge
II. OPERATOR: NGL WATER SOLUTIONS PERMIAN, LLC	
ADDRESS: 1509 W WALL ST // STE 306 // MIDLAND, TX 79701	
CONTACT PARTY: <u>SARAH JORDAN</u> PHONE: (432) 685-0005 x1989	
III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.	
IV. Is this an expansion of an existing project? Yes X No If yes, give the Division order number authorizing the project:	
V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.	ele
VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.	
VII. Attach data on the proposed operation, including:	
 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attack chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearly wells, etc.). 	h a
*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 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.	vith
IX. Describe the proposed stimulation program, if any.	
*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)	ted).
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of an injection or disposal well showing location of wells and dates samples were taken.	iy
XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.	
XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.	
XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.	ge
NAME: Christopher B. Weyand TITLE: Consulting Engineer	
SIGNATURE: 423 2>19	
* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:	
DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office	

INJECTION WELL DATA SHEET

OPERATOR: NGL WATER SOLUTIONS PERMIAN, LLC

WELL NAME & NUMBER: GHOST RIDER SWD #1

WELL LOCATION: 1,585' FSL & 270' FEL

FOOTAGE LOCATION

UNIT LETTER

30 SECTION 26S TOWNSHIP 35E RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 24.000"

Casing Size: 20.000"

Cemented with: 1,993 sx.

or _____ ft³

Top of Cement: Surface

Method Determined: Circulation

1st Intermediate Casing

Hole Size: 17.500"

Casing Size: <u>13.375</u>"

Cemented with: 3,285 sx.

or _____ft³

Top of Cement: Surface

Method Determined: Circulation

2nd Intermediate Casing

Hole Size: 12.250"

Casing Size: 9.625"

Cemented with: 3,249 sx.

or _____ ft³

Top of Cement: Surface

Method Determined: Circulation

INJECTION WELL DATA SHEET

Tubing Size: 7", 26 lb/ft, P-110, TCPC from 0'- 12,300' and 5.500", 17 lb/ft, P-110 TCPC from 12,300' - 18,903' Lining Material: <u>Duoline</u>
Type of Packer: 7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer and Full Inconel
Packer Setting Depth: 18,903'
Other Type of Tubing/Casing Seal (if applicable):
Additional Data
1. Is this a new well drilled for injection? X Yes No
If no, for what purpose was the well originally drilled? N/A
2. Name of the Injection Formation: <u>Devonian, Silurian, Fusselman and Montoya (Top 100')</u>
3. Name of Field or Pool (if applicable): <u>SWD; Devonian-Silurian</u>
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No, new drill.
 Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Delaware: 5,340' Bone Spring: 9,306' Wolfcamp: 12,804' Strawn: 14,488' Atoka: 15,006' Morrow: 15,564'



NGL Ghost Rider SWD #1

Location - Sec. 30 R26S T35E Lea County, NM

AFE Number

TD - 20,729'

Directions to Site: From Jal, NM - Head South on NM-205 S (Frying Pan Road). Travel 6.8 miles and turn right (W) onto Beckham Rd. Continue on Beckham Road for 2.3 miles (past house on right). Location will be on the right (SE) side.

Lat/Long: 32.01281/-103.40131

Vertical Injection - Devonian, Silurian, Fusselman

Rig - ??

Estimated Drilling Cost

GL/KB - 3172'/3192'

Geologic Tops (MD ft)	Section	Problems	Bit/BHA	Mud	Casing	Logging	Cement (HOLD)	Injection String
Triassic - 25' Rustler Anhydrite - 1,034' Base of Silicates 1,581' Surface TD - 1,750'	Surface Drill 24" O' - 1750' Set and Cement 20" Casing	Loss Circulation Hole Cleaning Wellbore stability in the Red Beds Anhydrite in the Rustler	24" PDC Bit + 9-5/8" X 8" 7/8 4.0 Combo MM w/17" NBS + 1X8" DC + 17" IBS + 1X8" DC + SS + 4X8" DC's + X/O +5" HWDP	Spud Mud MW< 9.0	1750' of 20" 133# JSS BTC Centralizers - bottom 2 joints and every 3rd jt thereafter, Cement basket Sth jt from surface	Mud loggers on site by Drillout of Surf.	LEAD: 741 sx of 13.7 ppg EXTANDACEM, 1.694 ft3/sk @ 75% Excess (750' of fill) TAIL: 1252 sx of 14.8 ppg HALCEM, 1.342 ft3/sk @ 75% Excess (1000' of fill)	
Top of Salt - 1,806' 1st Int. DV Tool - 1,850' Castile - 2,816' Base Salt - 4,788' 1st Int TD - 5,300'	1st Intermediate Drill 3550' of 17-1/2" Hole 1750' - 5300' Set and Cement 13-3/8" Casing in 2	Seepage Losses Possible H25 Anhydrite Salt Sections	17-1/2" Varel PDC Bit + 9-5/8"X 8" 7/8 4.0 Combo MM w/ 17" Steel NB5 + 17" IB5 + 2X8" DC's + Thruster + 4X8" DC's + 18X6" DC's + X/O + HWDP	Brine Water MW 10-10.5	5300' of 13-3/8" 68# HCL80 BTC 5M A Section Casing Bowl Centralizers - bottom jt, every 3rd joint in open hole and 2 jt inside the surface casing	Gyro Survey	Stage 2: 1128 sx of 13.7 ppg HALCEM, 1.747 ft3/sk @ 50% Excess (0' - 1850') Stage 1: 2157 sx of 13.7 ppg HALCEM, 1.777 ft3/sk @ 50% Excess (1850' - 5300')	12300° of 7" P110 26# TCPC
Delaware Mtn Group - 5,340' Lamar Limestone - 5,343' Bell Canyon - 5,378' Znd Int. DV Tool/ACP - 5,400' Cherry Canyon - 6,583' Brushy Canyon - 7,823' Znd Int. DV Tool - 9,000' Bone Spring - 9,306' 3rd Int Liner Top - 12,400' Wolfcamp - 12,804' Znd Int TD - 12,900'	2nd Intermediate Drill 7600' of 12-1/4" Hole 5300' -12900' Set 9-5/8" Intermediate Casing and Cement in 3 Stages	Hard Drilling in the Brushy Canyon (watch for stick-slip) Seepage to Complete Losses/ Water Flows in DMG Some Anhydrite and H2S possible Production in the Bone Spring and Wolfcamp Ballooning is possible in Cherry Canyon and Brushy if Broken Down	8" 7/8 4.0.16 MM w/ 12" NBS, ALS Roller Reamer DeMag , UBHO sub, ALS 12" RR/UBHO/NMDC, 6 jts: 8" DC, X/O sub, 18 its: 6" DC X/O sub,	Freshwater	10M B Section 12,900' of 9-5/8" 53.5# HCP110 BTC Special Drift to 8.535" Externally Coat 3600' Between DV Tools DV Tool at at 9000' ECP/DV Tool @ top of loss zones (HOLD) Centralizers - bottom jt, 100' aside of DV tool, every 3rd joint in open hole and 5 within the surface casing	12.25" Open Hole: MWD GR Triple combo, Caliper , CBL of 13-3/8" Casing to surface Cased Hole: CBL/Pressure pass to 1000 psi IF cement is not circulated on 2nd and 3rd Stages	Stage 2: 827 sx of 11.9 ppg HALCEM, 1.713 ft3/sk @ 50% Excess	6603' of 5-1/2" P110 17# TCPC Duoline Internally Coated Injection Tubing
Penn - 13,206' Strawn - 14,488' Atoka - 15,006' Morrow - 15,564' Miss Lst - 16,654' Woodford - 18,659' Perm Packer - 18,903' 3rd Int TD - 18,953'	3rd Intermediate Drill 6053' of 8-1/2" Hole 12900' - 18953' Set 7-5/8" Liner and Cement in Single Stage	High Pressure (up to 15ppg) and wellbore instability (fracturing) expected in the Atoka Production in the Wolfcamp Atoka and Morrow Hard Drilling in the Morrow Clastic	8-1/2" Smith X5 7165 AxeBlade PDC Bit, sub, 6-3/4" 7/8 5.7 MM w/ 8" NBS, UBHO sub, 8" NMIBS/UBHO/NMDC, Thruster, 18 Its: 6" DC 6" Drilling Jars HWDP + 5" DP to Surface	AES-VERT OBM MW 13.0-14.5 UBD/MPD using ADA	6553' of 7-5/8" 39# HCV150 USS Liberty FJM Centralizers on and 1 jt above shoe jt and then every 2nd jt.	8.5" Open Hole: MWD GR Triple combo, Caliper of 8.5" Open Hole/CBL of 9-5/8" Casing Cased Hole: SCBL/Pressure Pass to 1000 psi of 7-5/8" Liner before drillout	LEAD: 209 sx of 11.9 ppg HALCEM, 2.053 ft3/sk @ 20% Excess over caliper volume or 25% (17953' - 12400') TAIL: 147 sx of 13.2 ppg HALCEM, 1.439 ft3/sk @ 20% Excess over caliper volume or 25% (2000' of fill)	7-5/8" x 5-1/2" TCPC Permanent Packer with High Temp Elastomer
Devonian - 18,953' Silurian - 19,954' Fusselman - 20,224' Montoya - 20,629' TD - 20,729'	Injection Interval Drill 1910' of 6-1/2" hole 18953' to 20729'	Chert is possible Loss of Circulation is expected BHT estimated at 280F	6-1/2" Smith U611S PDC Bit, sub, 5" 7/8 2.6 0.26 1.5FBH MM w/ 6" NBS, 6" NMIBS, UBHO/NMDC, Thruster, X/O sub, 24 jts: 4-3/4" HWDP + 4" DP to Surface	Cut Brine - low grav for possible losses	Openhole completion	MWD GR Triple Combo with FMI + CBL of 7-5/8"	Displace with 3% KCl (or heavier brine if necessary)	and full Inconel 925 trim

NGL Water Solutions Permian, LLC

Ghost Rider SWD No. 1

FORM C-108 Supplemental Information

III. Well Data

A. Wellbore Information

1.

Well information					
Lease Name Ghost Rider SWD					
Well No.	1				
Location	S-30 T-26S R-35E				
Footage Location 1,585' FSL & 270' FEL					

2.

a. Wellbore Description

	Casing Information							
Type	Type Surface Intermediate Production							
OD	20"	13.375"	9.625"	7.625"				
WT	0.635"	0.480"	0.545"	0.500"				
ID .	18.730"	12.415"	8.535"	6.625"				
Drift ID	18.542"	12.259"	8.535"	6.500"				
COD	21.00"	14.375"	10.625"	8.500"				
Weight	133 lb/ft	68 lb/ft	53.5 lb/ft	39 lb/ft				
Grade	J-55	HCL-80	HCP-110	HCV-150				
Hole Size	24"	17.5"	12.25"	8.5"				
Depth Set	1,750'	5,300'	12,900'	18,953'				

b. Cementing Program

		Cement Informat	ion	
Casing String	Surface	Intermediate	Production	Liner
Lead Cement	Extenda Cem	Halcem	Halcem	Halcem
Lead Cement Volume	741	3,285	Stage 1: 1,302 sks Stage 2: 827 sks Stage 3: 1,120 sks	209
Tail Cement	Halcem			Halcem
Tail Cement Volume	1,252			147
Cement Excess	75%	50%	30%,50%,10%	25%
TOC	Surface	Surface	Surface	12,400'
Method	Circulate to Surface	Circulate to Surface	Circulate to Surface	Logged

VI. Area of Review

No wells within the area of review penetrate the proposed injection zone.

VII. Proposed Operation Data

1. Proposed Daily Rate of Fluids to be Injection:

Average Volume: 40,000 BPD Maximum Volume: 50,000 BPD

- 2. Closed System
- 3. Anticipated Injection Pressure:

Average Injection Pressure: 2,843 PSI (surface pressure)
Maximum Injection Pressure: 3,790 PSI (surface pressure)

- 4. The injection fluid is to be locally produced water. It is expected that the source water will predominantly be from the Avalon, Bone Spring, Delaware and Wolfcamp formations. Attached are produced water sample analyses taken from the closest wells that feature samples from the Avalon, Bone Spring, Delaware, and Wolfcamp formations.
- 5. The disposal interval is non-productive. No water samples are available from the surrounding area.

IX. Proposed Stimulation Program

Stimulate with up to 50,000 gallons of acid.

X. Logging and Test Data on the Well

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

XI. Chemical Analysis of Fresh Water Wells

No water wells exist within one mile of the proposed well location.

XII. Affirmative Statement of Examination of Geologic and Engineering Data

Based on the available engineering and geologic data we find no evidence of open faults or any other hydrologic connection between the disposal zone (in the proposed <u>Ghost Rider SWD #1</u>) and any underground sources of drinking water.

NAME: John C. Webb

TITLE: Sr. Geologist

SIGNATURE: John Crusbl

DATE: NOV. / 2018

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II S11 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101 Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

' Operator Name and Address NGL WATER SOLUTIONS PERMIAN, LLC 1509 W WALL ST, STE 306 MIDLAND, TX 79701 Property N GHOST RIDE					API Number TBD				
					ame R SWD			0. (Well No.
				7. Surface Lo					
UL - Lot	Section Tow	nship	Range	Lot Idn Feet fro	m N/S L	ine	Feet From	EW Line	County
1	30 2	.6S	35E	N:A 1585			270'	EAST	LEA
				* Proposed Botton	n Hole Location	on			
UL - Lot	Section Tow	nship -	Range	Lot Idn Feet fro	m NSL	ine	Feet From	E/W Line	County
				9. Pool Inform	nation				
				Pool Name SWD: Devonian-Silurian					Pool Code 97869
				Additional Well I	nformation				
II. Work N			12 Well Type SWD	Cable R	otary		_ease Type Private	13. G	round Level Elevation 3,175
¹⁶ Mul N	173 E 275 C 2		Proposed Depth 20,729	18 Format Siluro-Deve		19.	Contractor TBD		Spud Date ASAP
Depth to	Ground water 240'			Distance from nearest fresh					
Туре	Hole Size	(Casing Size	Proposed Casing and Casing Weight/ft	Setting D	Pepth	Sacks of (Estimated TOC
Surface	24"		20"	133 lb/ft	1,750	,	1,99	3	Surface
Intermediate	17.5"		13.375"	68 lb/ft	5,300),	3,28	3,285	
Production	12.25"		9.625"	53.5 lb/ft	12,900	0,	3,24	9	Surface
Prod. Liner	8.5"		7.625"	39 lb/ft	18,953	3.	350	5	12,400
Tubing	N/A		7''	26 lb/ft	0'-12,3		N/A	١	N/A
Tubing	N/A		5.5"	17 lb/ft	12,300' - 1		N/A	4	N/A
ee attached scher	matic.		Casing	/Cement Program: A	Additional Co	mments			
			22. [Proposed Blowout Pro	evention Prog	ram			
	Tuma						ra.		Manufacturer
Double F	Type Working Pressure Double Hydrualic Blinds, Pipe 10,000 psi		10,000 psi	Test Pressure 8,000 psi		TBD - Schaffer Cameron			
								L	
of my knowled	ge and belief.			and complete to the best		OIL C	ONSERVA	TION DIVI	SION
	fy that I have c			(A) NMAC 🗌 and/or	Approved By:				
Printed name: Christopher B. Wand					Title:				
Title: Consulting Engineer				Approved Date: Expiration Date:					
E-mail Address	s: <u>chris@lonqui</u> s	st.com							
Date: 04/22/2019 Phone: (512) 600-1764				Conditions of Approval Attached					





