LEGAL NOTICE

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit renewal application has been submitted to the Engineering Bureau- Underground Injection Control Group Manager of the New Mexico Oil Conservation Division ("OCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 660-8274 or E-mail: Phillip.Goetze@state.nm.us.

(BW-37/Facility ID# fCJC2134960146) Llano Disposal, L.L.C., Darr Angell, Owner, P.O. Box 250, Lovington, New Mexico 88260, has submitted an application for an Underground lnjection Control (UIC) Class Ill Brine Well Discharge Permit Renewal for the "State '4' Brine Supply Well No. 1" (API# 30-025-26370) located 1,980 FNL and 660 FWL, UL: E in Section 4, Township 13 South, Range 36 East (Lat. N 33.22251º, Long.: W 103.31548º), NMPM, Lea County, New Mexico.

The injection well was a plugged oil well (TD 13,476 ft. below ground level- bgl) located approximately 2.4 miles south of the City of Tatum Intersection of East Broadway St. (Hwy. 380) and N. Main St. (Hwy. 206), approximately 660 ft. east of Hwy. 206. The Permittee re-entered the well and drilled to a total depth of 2,450 ft. bgl. A salt cavern was constructed into the Salado Salt Formation between 2,400 – 2,970 ft. bgl. The well was constructed with 8-5/8 in. well casing to a depth of 4589 ft. bgl. There is a CIBP set at 2450 ft. bgl. within the well casing and a series of 100 ft. plugs in the 7-7/8 in. open-hole positioned at depths of 4,550 ft., 5,200 ft., 8,070 ft., 10,500 ft., 11,973 ft., and 12,870 ft. bgl.

The brine production flow process is termed "normal flow" with fresh groundwater injected into the Salado Salt Formation (Salado) through the 2-7/8 in. Fiberglass (FG) tubing angled through a "window" cut into the casing 2,400 ft. bgl. The average injection rate is 1,550 bbl/day (~45 gpm) and maximum injection rate is 1,900 bbl/day (~58 gpm). Brine fluids at a concentration of 320,000 ppm Total Dissolved Solids- TDS is produced up the well annulus via the "window" to surface between the injection tubing and well casing. The maximum surface injection pressure (MSIP) should not exceed 430 psig. The top of the "window" is at least 100 ft. into the Salado below the Anhydrite-Salado contact. This allows for proper salt cavern morphologic development over time. Fresh water is supplied by a water supply well approximately 100 ft. southwest of the brine well.

Brine is then pumped through a meter via subsurface polyethylene pipeline to the brine station for sale. The injection fluid is estimated to contain less than 1,000 ppm TDS. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 107 ft. below ground level with a TDS concentration of approximately 565 ppm. The discharge permit addresses well construction, operation, monitoring, ground subsidence, associated surface facilities, financial assurance, and provides a contingency plan in the event of accidental discharges.

The OCD has determined the application is administratively complete and has prepared a draft permit. The OCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list may contact the OCD Engineering Bureau- UIC Group Manager at the address given above. The permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or at the OCD web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact the OCD at the address given above. Prior to ruling on any proposed permit, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is a significant public interest. If no hearing is held, the Director will approve the proposed permit based on information available, including all comments received. If a public

hearing is held, the Director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener mas informaci6n sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo Mexico), Oil .Conservation Division (Depto. Conservación Del Petró1eo), 1220 South St. Francis Drive, Santa Fe, New Mexico (Contacto: Laura Tulk, 575-748-1283 x 100).

Given under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of April 2023.

Dylan M. Fuge, Acting OCD Director
State Seal