

LEGAL NOTICE

NOTICE OF PUBLICATION

June 23, 2024

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 application(s) has been submitted to the Engineering Bureau, Underground Injection Control Group Manager [Phillip Goetze, direct (505) 660-8274 or e-mail: phillip.goetze@emnr.dnm.gov] of the New Mexico Oil Conservation Division (OCD), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505.

(BW-38) Llano Disposal, LLC., Darr Angell, Owner, P.O. Box 190, Lovington, New Mexico 88260, has submitted an application for renewal for an Underground Injection Control (UIC) Class III Brine Well Discharge Permit for the "State '27' Brine Supply Well No. 1" (API No. 30-025-20592/Facility ID No. fCJC2135034752) located 1,980 FSL and 660 FWL, Unit L in Section 27, Township 16 South, Range 33 East (Lat. N 32.89096°; Long.: W -103.65762°; NAD83), NMPM, Lea County, New Mexico. The well is located approximately 17.8 miles west of the City of Lovington on Hwy. 82, then south 0.62 mile on Rooney Rd, then east 0.3 miles on lease road. The "Hummingbird" brine station is located at Unit L in Section 28, T16S, R33E, NMPM with a latitude of N 32.890740° and longitude of W -103.676520°.

The fluid flow process is termed "normal flow" based on the well re-construction. Fresh groundwater is injected into the Salado (Salt) Formation (Salado) through the 2-7/8 inch (in.) fiberglass (FG) tubing set approximately 2,575 feet below ground level (ft. bgl) at an average injection rate of 700 barrels per day (bbl/day) (~20 gallons per minute (gpm)) at approximately 185 pounds per square inch-gauge (psig) and maximum injection rate of 930 bbl/day (~27 gpm). Injection shall be below a permitted maximum surface injection pressure (MSIP) of 315 psig. Brine fluids from the Salado enter the 9-5/8 in. intermediate casing through a "window" cut in the casing at 1,752 ft. bgl to allow return of the brine to the surface. The window in the casing is from approximately 1,752 to 1,763 ft. bgl. The top of the window is at least 275 ft. into the Salado below the Anhydrite-Salado Formation contact.

The re-entered production well has a total depth of 13,804 ft. bgl with a 13-3/8 in. surface casing and a 9-5/8 in. intermediate casing that are utilized for the solution mining operation. The 13-3/8 in. surface casing is set at 414 ft. bgl while the 9-5/8 in. casing extends to 4,578 ft. bgl with both casings cemented to surface. Below the window in the 9-5/8 in. casing is a cast iron bridge plug (CIBP) with cement cap at approximately 1,773 ft. bgl followed by a second CIBP with a cement cap at 2,596 ft. bgl and a cement plug across the shoe. Remaining portion of the well below the shoe of the 9-5/8 in. casing includes properly abandoned 5.5 in. production casing with multiple cement plugs and CIBPs.

The 2-7/8 in. FG tubing extends downward at an angle through the window to a depth of 2,575 ft. bgl into the Salado to allow for proper salt cavern development and maximum stability over time. Freshwater is supplied by a water supply well drilled 75 ft. southeast (Lat. 32.890782°, Long. -103.657470°) of the brine well. Freshwater and brine will be transported via separate buried polyethylene pipelines between the brine well, water well and brine station.

Produced brine fluid is expected to be at a concentration of about 320,000 parts per million (ppm) Total Dissolved Solids (TDS). Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 155 ft. bgl with a TDS concentration of approximately 400 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/oed/>. 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 espaniol, 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. Conservacion Del Petroleo), 1220 South St. Francis Drive, Santa Fe, New Mexico (Contacto: Laura Tulk, 505-629-6116).

GIVEN under the Seal of New Mexico Oil Conservation Division at Santa Fe, New Mexico, on this 23rd day of June 2024.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Dylan M. Fuge, Acting Director

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