

BW - 31

**UIC CLASS III
BRINE WELL
RENEWAL
APPLICATION**

2023

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal

I. Facility Name : Schubert 7 Well # 1 (BW-31) API # 30-025-36781

II. Operator: H.R.C. INC. (Gary Schubert Owner)

Address: PO Box 5102 Hobbs, NM 88241-5102

Contact Person : Gary Schubert Office Phone: (575) 393-3194

Email: garymschubert@gmail.com Cell Phone: (575) 631-0962

III. Location: NW/4 SE/4 Section 7 Township 19S Range 39E

Latitude: 32.6738815 Longitude: -103.0835953 Lea County New Mexico

Submit Large Scale Topographic Map showing exact location. **See Appendix A**

IV. Attach the name and address of the landowner and the facility site.

The Landowner for the site is the same as the operator.

H.R.C. Inc.
PO Box 5102
Hobbs, NM 88241

See **Appendix B** for Lea County Tax and ownership records.

V. Attach a description of the types and quantities of fluids at the facility.

Two types of fluids are stored at the Schubert 7 facility, brine water and fresh water. The brine water is stored in five 500 Bbl Fiberglass tanks, allowing a total of 2500 Bbls of brine water to be stored on location before it is transferred to the water station. These brine tanks are typically kept half full to prevent either an overflow or emptying of the tanks between daily facility inspections. Levels of the tanks vary from day to day operations based on demand for brine at the water station. Fresh Water is stored in one 750 bbl tank that is used in daily operations. This tank is controlled by a float switch which fills the tanks when they reach 8' stops filling at 20'. There are also a total of six 500 bbl tanks that are used for freshwater storage in the event inclement weather prevents the filling of the 750 bbl tank. These six 500 bbl tanks are only used during such weather events to allow for operation of the well until regular water operations can resume.

VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.

Recycled or effluent water is received from an underground pipeline located approximately 4 miles north of the Schubert 7 Brine Facility via a 3" SDR 11 poly pipeline connected to the farm irrigation well/pod system. That fresh water is pumped from the well/pod system through a 2" magflo meter and into the 750 bbl freshwater storage tank via a 1 1/2hp irrigation pump. Upon opening of the float switch, located in the tank, the pump and a 2" solenoid valve are turned on/opened to allow for the passage of water into the tank. When the tank is full and the float switch closes, the pump and the valve turn off/close.

The fresh water is then pumped from the bottom outlet of the freshwater supply tank through the triplex PD pump and down the tubing annulus at an average pressure of 265 psi. Brine is then extracted up the 4 1/2" casing annulus at an average pressure of 36 psi where it flows through a 3" Ultramag meter and into the 500 bbl fiberglass storage tanks.

The produced brine water flows into the top of the east brine tank via a 3” SDR poly pipeline for storage before it is pumped to the water station on Nadine Rd. The brine water equalizes across all five tanks which are sitting level above the ground with a polyethylene barrier and berm with the ability to hold 133% of the total tank volume. The stored brine water is then pumped from the tanks to the water station storage tanks via a 25hp Summit MT series transfer pump that is located in the pump house. The transfer pump is equipped with ball valves on both the inlet and discharge sides to allow the pump to be isolated during required maintenance.

The transferred brine water enters the west tank from the top of the tank where it equalizes through a total of ten 500 bbl fiberglass tanks that are all plumbed together via 3” and 6” SDR 11 Poly. The water then sits in the tanks until vacuum trucks hook onto load lines at the point of sale and pump the water from the storage tanks into their trailers.

There is no solid storage at any of the facilities associated with the Schubert 7 brine well.

See **Appendix C** for a detailed description of the Schubert 7 Brine Facility and the ETZ Water Station Facility.

VII. Attach a description of underground facilities. (i.e. brine extraction well.)

The only underground facilities will be the brine well and its piping construction. See **Appendix D** for the current well diagram as of the December 2020 work over that was performed. See **Appendix E** for the completed C-103 form and subsequent report that details this work over project.

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

Pipeline Contingency

H.R.C. Inc. recognizes the potential for leaks to occur in its production pipeline which is run on the surface from the well site to the storage facility. In order to address this concern H.R.C. Inc. has implemented a daily program to visually inspect the line for any leaks or discharges. Should a leak be detected the transfer pump will be shut down and the line will be shut in to allow for any repairs and to prevent any additional leakage. Clamps will be placed on both sides of the line to isolate the affected area. Repairs will be performed on the line and a hydrostatic test will be performed on the line to verify complete line integrity after repairs have been made. An assessment of the magnitude of the spill/leak will be performed and the necessary steps will be put into action to ensure the impacted area has been secured, that the released water has been contained, and that all liquids have been removed from the impacted site. H.R.C. Inc. will submit Form C-141 to the OCD to report the release and all subsequent actions taken. H.R.C. Inc. will comply with all regulations set forth in NMAC 19.15.29 pertaining to releases.

Wellsite & Storage Tank Contingency

All above ground piping and tanks at the well site will be visually inspected for leaks by company personnel during each site visit. (At least two times per day during routine well checks). Man way gaskets, tank battery liners, and valves will be visually inspected at all tanks daily. Any problems such as leaks, spills or well abnormality will be taken to the attention of H.R.C. supervisor immediately. Should a leak be detected on any tank, it will be isolated and contents will be removed and placed in the other tanks on location. Once empty the necessary repairs will be performed to put the tank back into service. Inspection of the tank will be performed while filling to ensure the leak has been corrected. H.R.C. Inc. will assess the magnitude of the leak and will comply with all regulations set forth in NMAC 19.15.29 pertaining to leaks and reporting. Immediate actions will be taken upon discovery of a well or tank leak to locate, isolate, and remediate the problem. A form C-141 will be filled out and submitted to the OCD to provide notification of the release.

IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.

The proposed site is located southeast of Hobbs, NM approximately 0.80 miles southeast of the end of Landfill Rd.. The area is relatively flat with very little elevation differences. There is no surface water in close proximity to the proposed site. The average rainfall for this area is 12-15 inches annually. The 100 year the last recorded flood was in 1990, where 10 inches of rain was recorded in a 24 hour period. In normal conditions, rain soaks in and is absorbed into the soil as fast as it comes down. With the present facility design, it is highly unlikely any run off or run on of the property would occur. If, in the

future, some problems were to occur, revisions to the discharge plan for this facility would be incorporated.

Geology

The proposed site is located on the Central Basin Platform of the Permian Basin. The sub-surface formations are in a transitional area between Delaware Basins back reef or shelf area and the platform. The brine product is from the Salado formation of the Ochoa series. The series of upper Permian Age, and extends across the Delaware Basin, Central Basin Platforms, thins and pinches out on the eastern shelf. This series of layers are predominately evaporates which contains strings of dolomite, shale, siltstone, and sandstone. The thickness of this salt section averages about 1000'. The Triassic rock overlaying the Permian formation is the Dockem group, and is divisible into the Santa Rosa sandstone and the Chinle formation. The Tertiary rocks are represented by the Ogallala formation. This formation ranges in thickness from 0' to 300'. It is chiefly calcareous, unconsolidated sand, clay, silt, and gravel. This is the formation from which most of Lea County obtains its drinking water.

Hydrology

Underground aquifers in this area are the Ogallala and Quaternary Alluvium formations. The groundwater in these formations is unconfined where the underlying red beds are relatively impermeable. This underlying layer presents further downward or upward movement. From information reviewed, the groundwater flow from the Ogallala formation flows to the south southeast, the water level for this area ranges from 50' to 70' below ground level and the average depth of the wells are 150'. Find within the list of water wells in the general area and analytical from one of the wells.

- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations, and/or orders.

Quarterly Monitoring Plan

H.R.C. Inc will comply with all general facility operations requirements set forth in the discharge permit approval conditions. These general requirements include Quarterly Water monitoring of Monitor Well Water, Injected Water, & Produced Brine Water. The environmental data results from these tests shall be reported in the Annual Report. See **Appendix F** for the most current water samples.

Surface Subsidence Monitoring Plan

H.R.C. Inc. proposes to have three surveys performed at the well site, monitoring the three survey markers in place. The surveyor will also monitor the top of the well casing during these three surveys. H.R.C. Inc. will employ a professional surveyor to perform these surveys and will submit the results to the OCD within 15 days of completion. The results of these three surveys will also be included in the Annual Report. See **Appendix G** for the most current survey showing the monitoring plan.

Solution Cavern Characterization Plan

H.R.C. Inc. plans to follow the OCD set methods of determining the size and shape of the solution cavern and will submit those results at least once annually in the Annual Report. This plan shall demonstrate the caverns compliance with the ratio of injected fluid to produced brine is less than 90% or greater than 110%. Should there be a variance from those numbers H.R.C. Inc. will report this to the OCD and follow all procedures set forth by the OCD. The cavern characterization plan template changed slightly after the work over at the end of 2020. The new characterization plan takes into account the previous cavern depth as well as the "new" cavern floor at the post work over depth. See **Appendix H** for both the previous plan and current Cavern Characterization Plan template to be used.

Mechanical Integrity Tests

Mechanical integrity tests will be conducted on the well and salt dome formation as OCD designates. The well and formation will be pressured up to 315psi and shut in for four hours with pressure recorded on a pressure chart. H.R.C. will notify OCD of the date and time for testing so it can be witnessed. The last MIT was done during the work over on December 18, 2020.

Closure Plan / Financial Assurance Plan

H.R.C. Inc currently has a bond in place to cover plugging and abandonment costs from a previous discharge permit issued in 2017. The bond currently in place is for the amount of \$71,830.00. H.R.C. Inc. has contacted third parties for cost estimates related to plugging/abandonment costs and surface restoration costs that are in line with their closure plan. See **Appendix I** for the current bond that is in place and see **Appendix J** for the current Cost Analysis of Closing Expenses and the third party estimates as evidence of that analysis.

Pipeline Monitoring Plan

H.R.C. Inc. checks its production pipeline at least two times a day during routine travel from well to other facilities. These visual inspections are performed in accordance with hydrostatic tests done every quarter at the same time quarterly water monitoring samples are taken. Should any leaks be found during these tests H.R.C. Inc. will follow their contingency plan to deal with any leaks or spills and the OCD will be notified accordingly.

Continuous Monitoring Devices

H.R.C. Inc. has complied with the monitoring of pressure, flow rate, volume flow, and pressure on the annulus at the Schubert 7 Well #1. The methodologies of all monitoring devices are as follows:

There are oil fluid gauges located in five locations on the wellhead and injection pump. Pressure is read at the pump outlet on the pump, at the inlet side of the 4 1/2" casing, at the backside of the 4 1/2" casing to monitor exit pressure into the brine tanks, at the top of the tubing where water is injected, and there is a gauge monitoring the 5 1/2" Casing Annulus as well. All of these pressures are recorded daily and are used to maintain consistent operations.

There are two metering devices being used in daily operations of the Schubert 7 Well #1. Brine solution has a meter that registers produced brine in gallons. As it leaves the 4 1/2" casing annulus it travels through a 3" connection hose between the well and the production tanks. There is a 3" magflo meter between these two points that meters all brine produced from the well. The daily totals are recorded by the operator along with the pressure readings. The fresh water is metered inside the well house before it goes into the freshwater storage tanks. There is a 3" SDR 11 Poly pipeline that comes from the farm pod/well system that is connected to the 2" magflo meter which then runs through a 2" solenoid irrigation valve and a 2" irrigation pump before it goes into the storage tanks. All fresh water is metered before it goes into the storage tanks. This meter reading is also registered in gallons and is recorded daily and cross-checked with brine production totals to ensure no discrepancies from normal operations.

Annual Reports

H.R.C. Inc. will submit annual reports to the OCD pursuant to 20.6.2.3107 NMAC by June 1 of the following year. The reports will contain all information stated above and any other information required per OCD guidelines. These reports will be certified per OCD requirements and will be submitted via E-filing.

Annual Certification

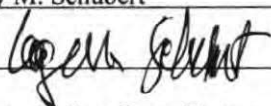
H.R.C. Inc. will certify annually in the Annual Report that continued salt solution mining will not cause cavern collapse, surface subsidence, property damage, or otherwise threaten public health and the environment based on geologic and engineering data.

Summary of the Schubert 7 Well #1

H.R.C. Inc. will comply with any rule, regulation, or order which the OCD currently has or any new rule or regulation that pertains to this type of facility that the OCD may institute in the future. The OCD office will be notified for approval prior to any drilling, deepening or plug back operations using the appropriate forms and notifications. The OCD will also be notified before any remedial work, plugging or altering of well has started and after approval.

XI. CERTIFICATION:

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

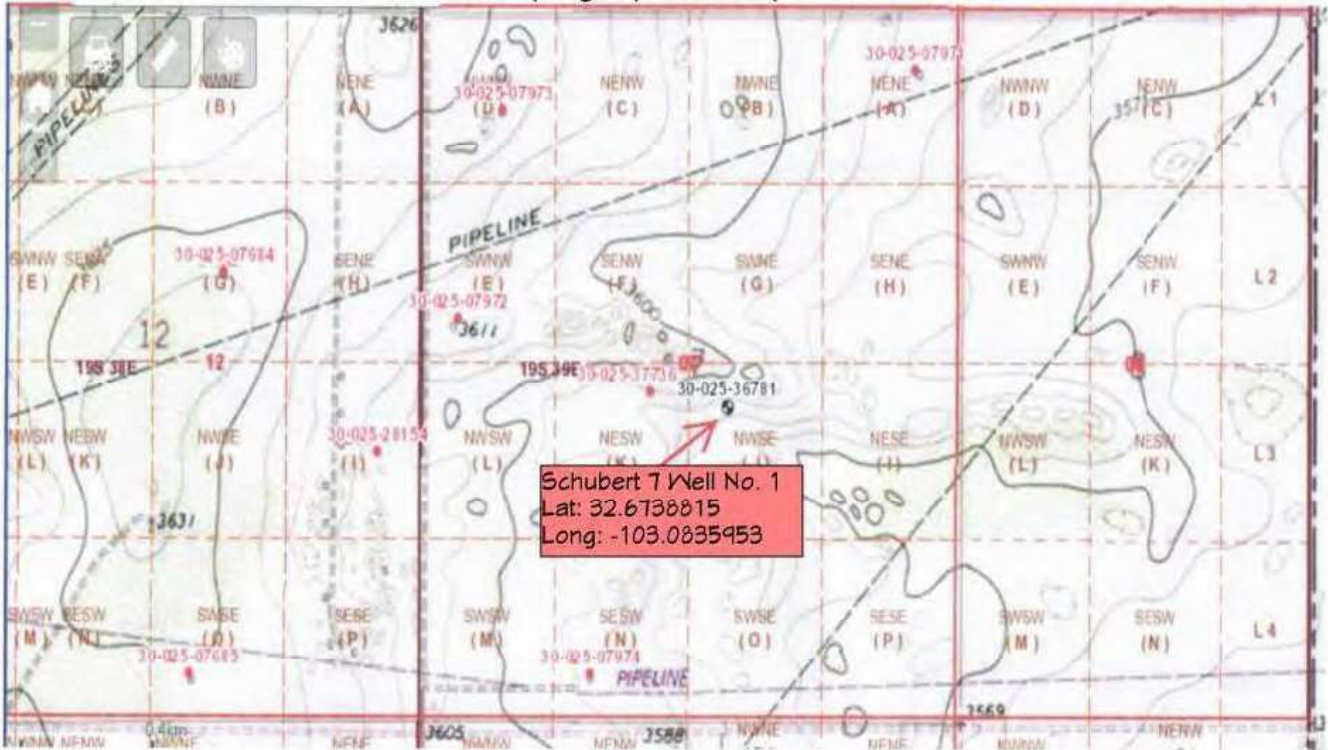
Name: Gary M. Schubert Title: Owner, H.R.C. Inc. / PRES.
Signature:  Date: 7/26/23
Email: garymschubert@gmail.com Phone: (575) 631-0962

APPENDIX A

H.R.C. Inc.

Schubert 7 Well No. 1
API # 30-025-36781
SEC. 7, T19S, R39E

GIS Topographic Map



Satellite Map





Lea County

GIS INTERNET REPORT



Page 1 of 3

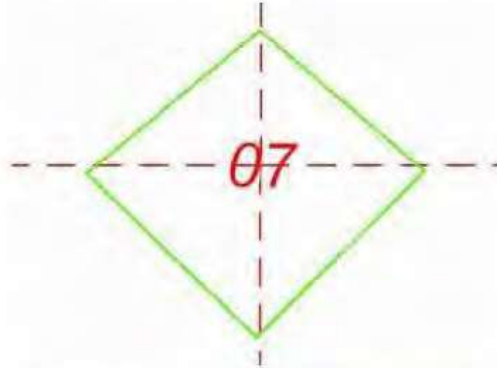
Assessment Information

OWNER NUMBER: 41465

UPC CODE: 4000414650002

PARCEL NUMBER: 4000414650002

Owner Information	
Owner:	H R C INC
Mailing Address:	PO BOX 5102 HOBBS NM 88241
Property Address:	



Subdivision Information	
Name:	
Unit:	
Block	
Lot:	



Legal Information	
22.12 AC LOC NE4	

Lea County, New Mexico Disclaimer

Information deeded reliable but not guaranteed. Copyright ©2012.
MAP TO BE USED FOR TAX PURPOSES ONLY. NOT TO BE USED FOR CONVEYANCE.



Lea County

GIS INTERNET REPORT



Page 2 of 3

Other Information			
Taxable Value:	\$2,563.00	Deed Book:	2174
Exempt Value:	\$0.00	Deed Page:	302
Net Value	\$2,563.00	District:	160
Livestock Value:	\$0.00	Section:	7
Manufactured Home Value:	\$0.00	Township:	19
Personal Property:	\$0.00	Range:	39
Land Value:	\$7,689.00	Date Filed:	
Improvement Value:	\$0.00	Most Current Tax:	\$73.23
Full Value:	\$7,689.00	Year Recorded:	

Square Foot and Year Built listed only to be used for comparative purposes, NOT to be used for commerce.

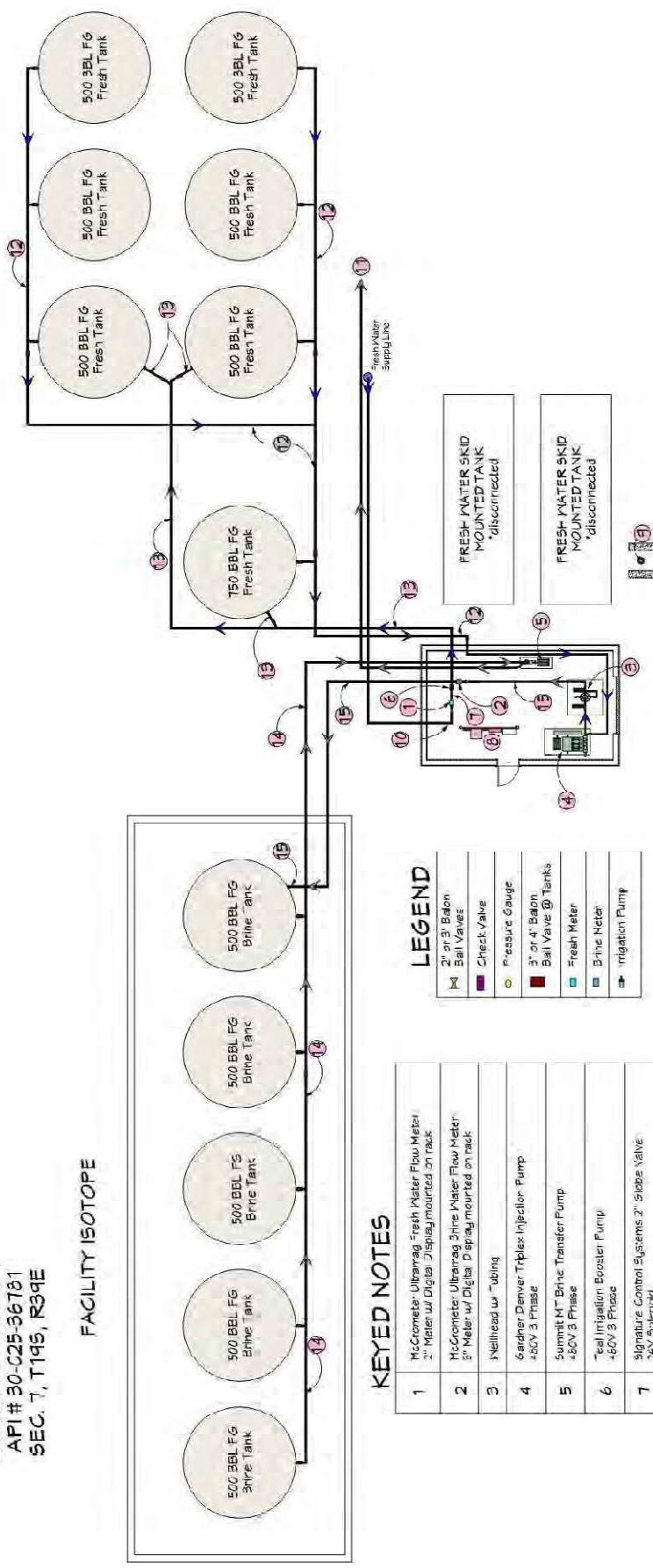
Lea County, New Mexico Disclaimer

Information deeded reliable but not guaranteed. Copyright ©2012.
MAP TO BE USED FOR TAX PURPOSES ONLY. NOT TO BE USED FOR CONVEYANCE.

H.R.C. Inc.

Schubert Well No. 1
API # 30-C25-36781
SEC. 7, T19S, R39E

FACILITY ISOTOPE



KEYED NOTES

1	McCrometer Ultrarag Fresh Water Flow Meter 3" Meter w/ Digital Display mounted on rack.
2	McCrometer Ultrarag Brine Water Flow Meter 3" Meter w/ Digital Display mounted on rack.
3	Wellhead w/ Tubing
4	Gardner Denver Triplex Injector Pump 48CV 3 Phase
5	Summit MT Brine Transfer Pump 48CV 3 Phase
6	Ted Irrigation Booster Pump 48CV 3 Phase
7	Signature Control Systems 2" Slope Valve 24V Solenoid
8	Electrical Control Rack. All panels are pump controls hung on racks at this location.
9	Fresh Water Monitor Well w/ concrete barricade protection.
10	Fresh Water Supply Point. 3" Poly SDR 11 line w/ stuber valve at this location run to fresh meter.
11	3" Poly SDR 11 Brine line from transfer pump to sales tanks.
12	3" Poly SDR 11 Line from Fresh Water tank outlets to Triplex Injector Pump.
13	3" Poly SDR 11 Line into top of 750 & 500 Bbl Fresh Tanks from Irrigation Booster Pump.
14	3" Poly SDR 11 Line from Brine tanks outlets to Summit MT Transfer Pump.
15	3" Poly SDR 11 Line into top of 500 Bbl Brine Tank from Wellhead Casing.

LEGEND

	3" or 4" Ball Valve
	Check Valve
	Pressure Gauge
	3" or 4" Ball Valve @ Tanks
	Fresh Water
	Brine Water
	Irrigation Pump

H.R.C. Inc.

**ETZ Water Station
Battery / Facility Layout**

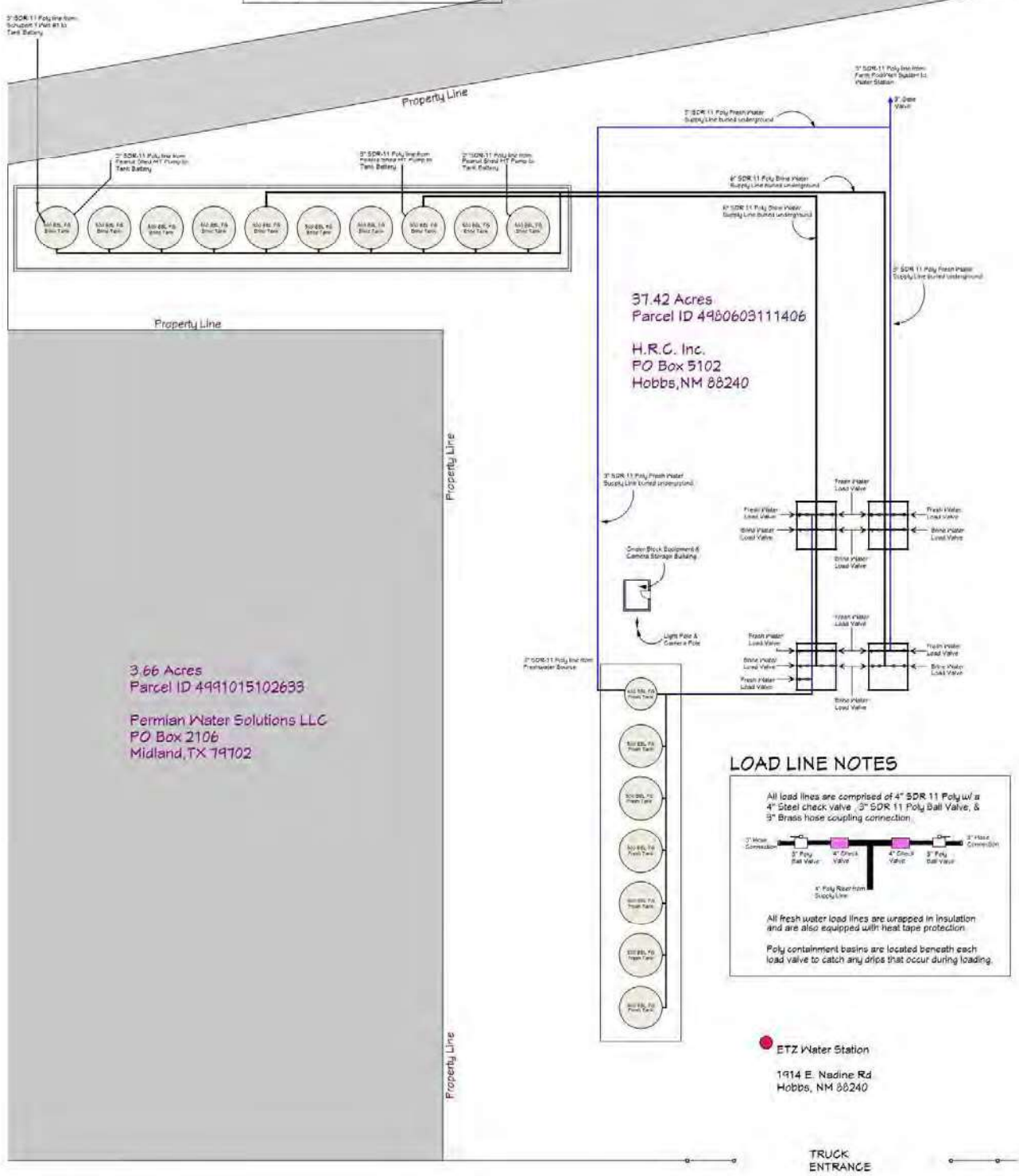
TANK BATTERY NOTES

2", 3" or 4" Ballon Ball Valves are located at the outlet of each fiberglass tank to allow for tank isolation during any required maintenance or replacement.

■ Denotes ball valve locations

All above ground piping between tanks is supported via braces to relieve any strain on connection points.

All poly tank connections on fresh water tanks are wrapped with heat tape protection and vinyl backed insulation over the heat tape.



3.66 Acres
Parcel ID 4991015102633

Fermin Water Solutions LLC
PO Box 2106
Midland, TX 79702

37.42 Acres
Parcel ID 4980603111406

H.R.C. Inc.
PO Box 5102
Hobbs, NM 88240

LOAD LINE NOTES

All load lines are comprised of 4" SDR 11 Poly w/ a 4" Steel check valve, 3" SDR 11 Poly Ball Valve, & 3" Brass hose coupling connection.

All fresh water load lines are wrapped in insulation and are also equipped with heat tape protection.

Poly containment basins are located beneath each load valve to catch any drips that occur during loading.

● ETZ Water Station

1914 E. Nadine Rd
Hobbs, NM 88240

TRUCK
ENTRANCE

E. NADINE RD.

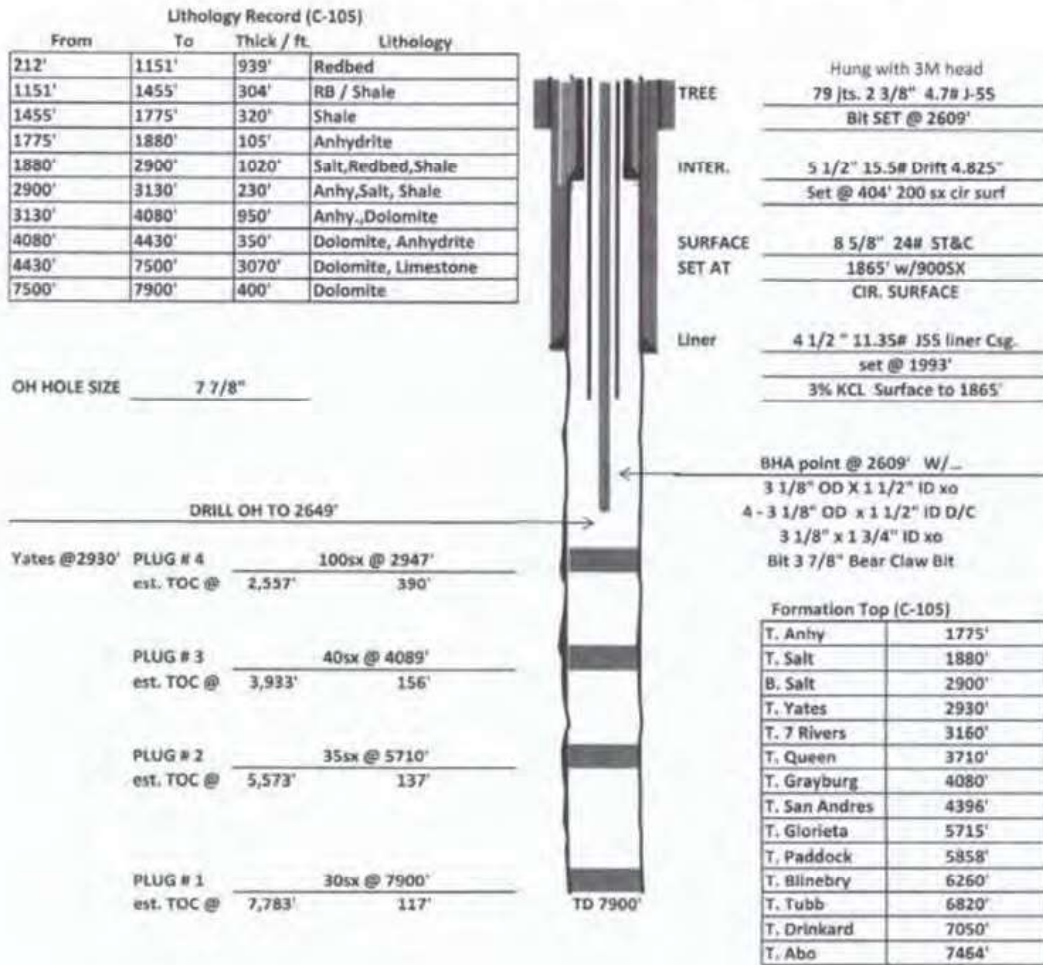
E. NADINE RD.

APPENDIX D

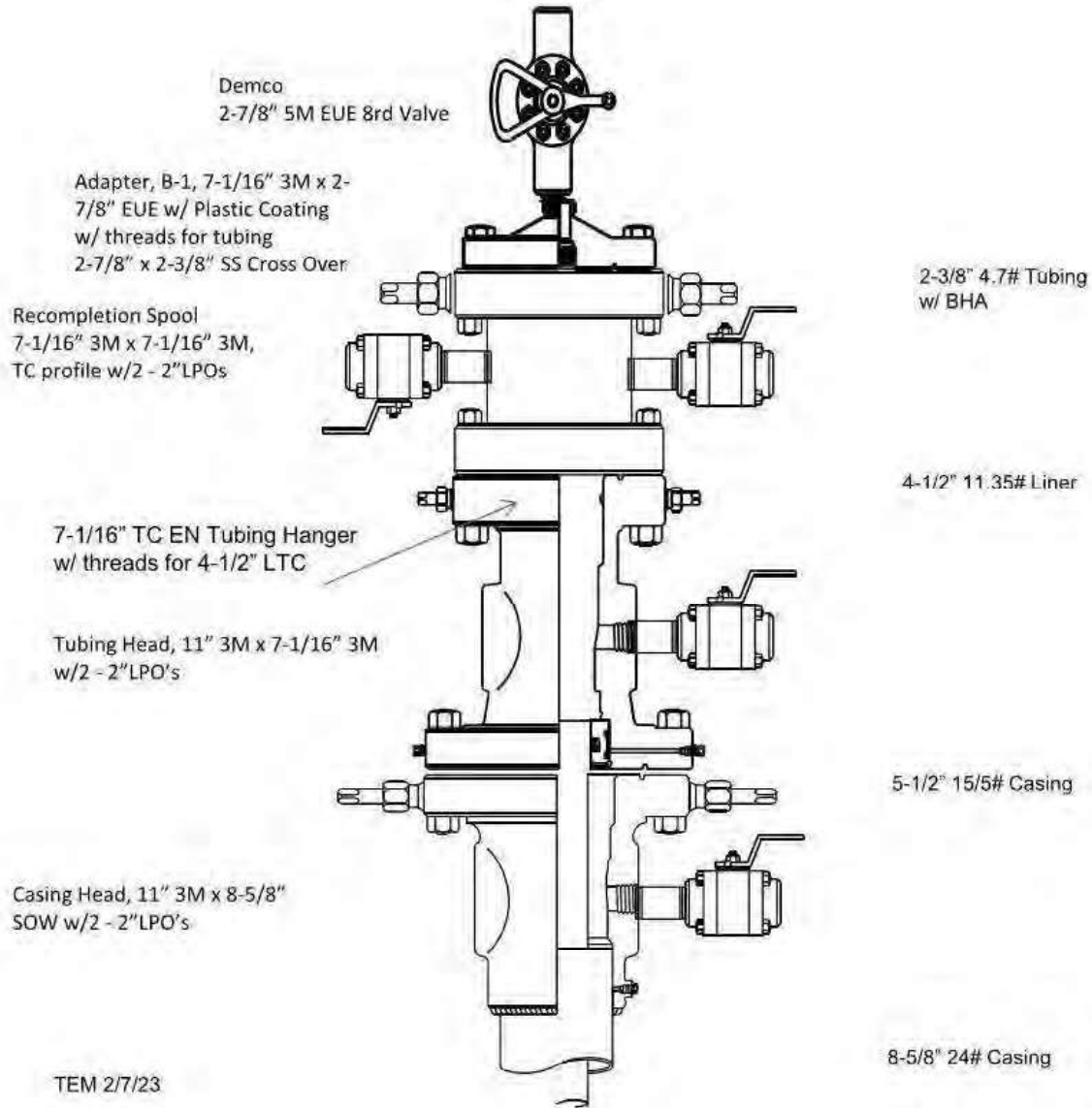
H.R.C. Inc.

Schubert 7 Well No. 1
 API # 30-025-36781
 SEC. 7, T19S, R39E

Well Diagram as of December 2020 Work Over



HRC, Inc.
Schubert 7 Well # 1
30-025-36781
02/07/23



APPENDIX E

Submit 1 Copy to Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-36781
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other Brine <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator H.R.C., INC.		6. State Oil & Gas Lease No.
3. Address of Operator P.O. Box 5102 Hobbs, New Mexico		7. Lease Name or Unit Agreement Name Shubert 7
4. Well Location Unit Letter <u>J</u> : <u>2313</u> feet from the <u>South</u> line and <u>2313</u> feet from the <u>East</u> line Section <u>7</u> Township <u>19S</u> Range <u>39E</u> NMPM <u>Lea</u> County		8. Well Number <u>BW-031</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3585 GL		9. OGRID Number 131652
		10. Pool name or Wildcat BSW - Salado

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input checked="" type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Re set tubing depth deeper <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see the attached report with this C- 103 of work completed on the Shubert 7 Well # 1 BW-031.

Please find with this report the MIT chart that was conducted on 12/18/2020

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE David H. Alvarado TITLE Acting Agent for H.R.C., INC DATE 2/5/2021

Type or print name David H. Alvarado E-mail address: davidal00136@gmail.com PHONE: 575 513 1238

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____

C-103 SUBSEQUENT REPORT

SHUBERT 7 WELL No. 1

API 30-025-36781 BW-031

12/14/2020 Performed JSA's, MI & RU workover unit and drilling reverse unit, ND wellhead tree and lift on 2 7/8 J-55 tbg. to 20K tbg. stuck worked tbg. to 30K tbg. started moving, removed tbg. hanger. NU BOP prepare for tubing extraction lay down total 71- 2 7/8 J 55 jts. and one parted jt. 23 foot long. Left in hole 8 foot of 2 7/8 J-55, bit sub w/ 4 3/4" bit. Tallied extracted pipe @ 2307' left in hole from 2307'-2312' closed BOP SDFN

12/15/2020 MI 86 jts. 2 3/8" EUE 4.7# J-55 tbg. and 50 jts. 4 1/2" 11.35 # J-55 Csg. w/ID 4". RIH w/new 4 3/4" skirted Varel cone bit w/ bit sub and 6- 3 1/2" OD d/c's on top of bit sub. RIH w/tbg. tag top of fish @ 1820' rolled of top of fish continue to RIH to 1826' RU Swivel rotate from 1826' to 1844' continued to drill and wash out bore to 1985', pulled bit up into 8 5/8 csg. To 1702 shut in BOP SDFN

12/16/2020 Open up BOP continued to RIH with Bit, Bit sub, D/C and tubing rolling off of TOF @ 1856' continued to drill and wash 1985' to 2020' hard drilling from 2020'-2034' fall out washing to 2044' circulate hole 60 minutes, POH LD 3 1/2" d/c w/BHA shut in BOP SDFN

12/17/2020 Open BOP installed 4 1/2 rams MI Lewis Casing Crew, P/U 1- 4 1/2 muleshoed jt., TIH with 47 jts. 4 /12" 11.35# J-55 LTC casing total 48 joints landed casing w/ 4 1/2 " X 3.85' LTC Pin X 4 1/2" LTC Box 11.35# J-55 in Box liner w/22k string weight. Casing well head hanger(double grove O ring seal) tighten hanger retaining pins. 4 1/2" 11.35# Liner Casing set at 1993' closed well in. SDFN

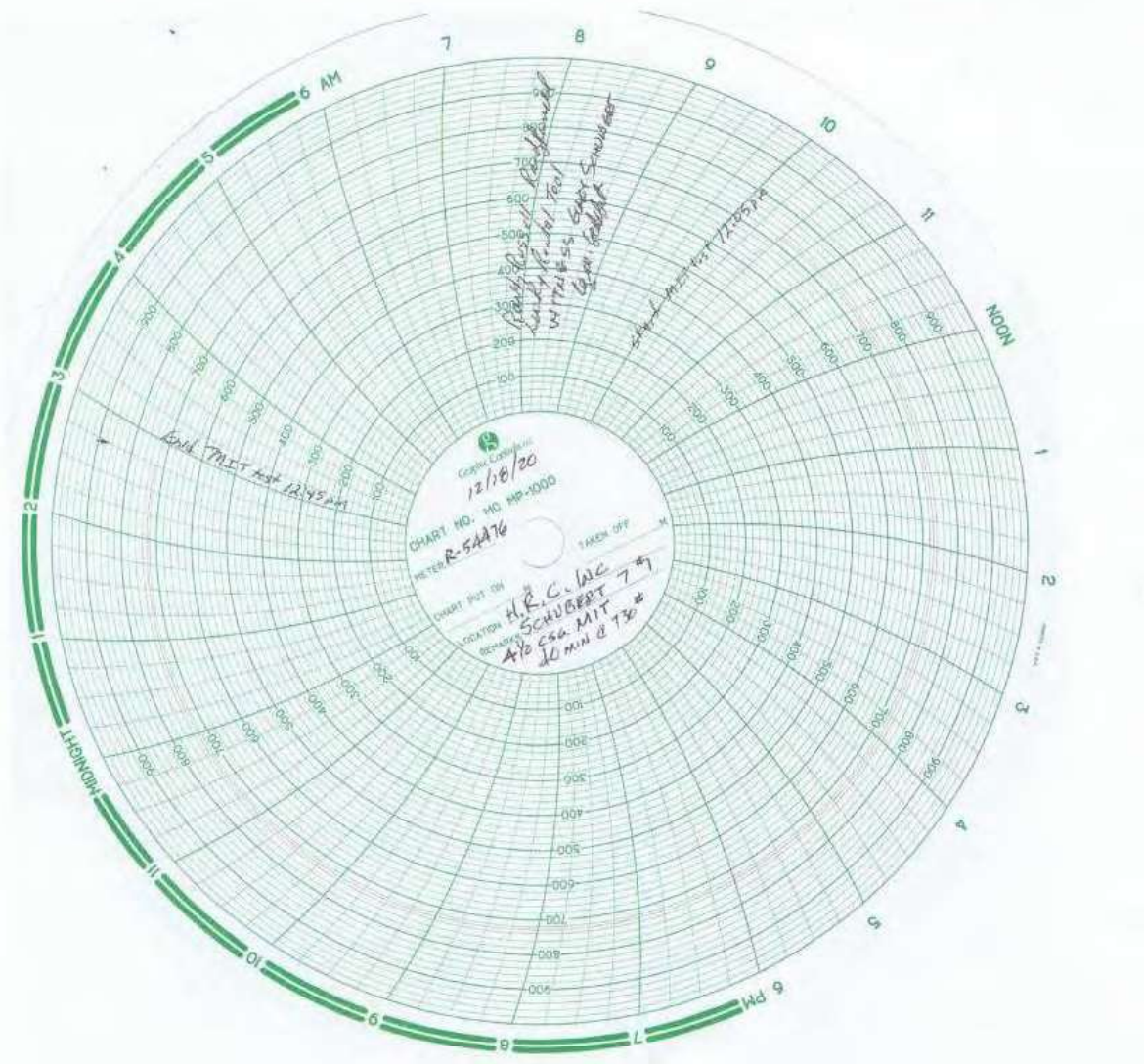
12/18/2020 Open well and BOP removed landing sub R/D Lewis Casing Crew. N/D BOP installed 7 1/16" 3M x 7 1/16" 3M tbg. spool w/ 6 3/8" bore TC Profile with 2" API pipe outlets, installed to 5 1/2" csg. Wellhead section 7 1/16" 3M flange top over 4 1/2" csg. hanger. Tested wellhead for 10 minutes @ 2200 psi no leak off, NU BOP & installed 2 3/8" rams. RIH w/ AD1 Pkr. Set @ 1960', tested 4 1/2" annulus to 730 Psi for 40 minutes tested good no leak off. TOH with AD1 Pkr. RIH with new 3 7/8" skirted mill tooth bit, 2 3/8" eubx X 2 3/8" rgbx bit sub below 2 3/8" J-55 tbg. tag @2048' Pulled bit up into 4 1/2" casing at 1864 closed well in and BOP SDFN.

12/19/2020 Open well RIH with Bit to 2048' drilled to 2051', fell out ran to 2074' drill from 2074 – 2076 ran to 2079' continued drilling 2079' – 2081' ran to to 2102', continued drilling from 2102' -2105' fell out continued washing to 2163' got stuck, worked pipe free, could not return back to 2163' Pipe stacking out after lifting. Re moved swivel POH w/ tbg. Tubing was

bent on joint number two above bit sub, and sheared cut on jt. # 1 above bit sub and bit left 1-16' 2 3/8" tbg. piece and a bit sub w/ 3 7/8" bit in hole. 18' fish est. depth of TOF #2 @2145'-2163" shut in SDFN.

12/21/20 Open up well P/U & RIH w/ 3 7/8" bear claw bit, bit sub, 4- 3 1/8" OD drill collars, & 2 3/8" tubing to 2012' attached swivel w/ 2 1/2 md connection on top Joint, drilled from 2012'-2014' then ran to drill 2018'-2021' ran to 2025'-2026' then ran to 2162'- 2166' fell out 2182' ran to drill 2188' - 2190' ran to 2194' - 2231' fell out 2231' ran to drill 2231' - 2236' fell out to drill 2240' - 2265' TUH w/ bit into 4 1/2" casing @ 1865' closed well in SDFN

12/22/2020 Open well up ran bit back to drill 2265' - 2267' fell out and ran to tag 2649' pulled bit to land @2609' RD swivel, ND stripper head & BOP, install tbg. hanger flange and N/U well head connections pumped on well 6 hrs. shut down & connect to facility surface injection pump, RD rig & reverse unit then released all workover equipment.



APPENDIX F

JANUARY 2023 RESULTS

MONITOR WELL INORGANIC COMPOUNDS

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Alkalinity, Bicarbonate	215		5.00	MG/L	1-6-23	310.1
Alkalinity, Carbonate	<1.00		1.00	MG/L	1-6-23	310.1
Chloride	216		4.00	MG/L	1-6-23	4500. C1.B
Conductivity	1190		1.00	UMHOS/CM	1-6-23	120.1
pH	8.22		0.100	pH units	1-6-23	150.1
Sulfate	68.2		25.0	MG/L	1-9-23	375.4
TDS	644		5.00	MG/L	1-9-23	160.1
Alkalinity Total	176		4.00	MG/L	1-6-23	310.1

MONITOR WELL TOTAL RECOVERABLE METALS by ICP (E220.7)

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Calcium	71.3		1.00	MG/L	1-10-23	EPA 200.7
Magnesium	21.5		1.00	MG/L	1-10-23	EPA 200.7
Potassium	<10.0		10.00	MG/L	1-10-23	EPA 200.7
Sodium	97.5		10.00	MG/L	1-10-23	EPA 200.7

JANUARY 2023 RESULTS

BRINE WATER INORGANIC COMPOUNDS

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Alkalinity, Bicarbonate	224		5.00	MG/L	1-6-23	310.1
Alkalinity, Carbonate	<1.00		1.00	MG/L	1-6-23	310.1
Chloride	200000		4.00	MG/L	1-6-23	4500. C1.B
Conductivity	265000		1.00	UMHOS/CM	1-6-23	120.1
pH	6.95		0.100	pH units	1-6-23	150.1
Sulfate	5420		1250	MG/L	1-9-23	375.4
TDS	315000		5.0	MG/L	1-9-23	160.1
Alkalinity Total	184		4.00	MG/L	1-6-23	310.1

BRINE WATER TOTAL RECOVERABLE METALS by ICP (E220.7)

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Calcium	914		50.0	MG/L	1-10-23	EPA 200.7
Magnesium	712		50.0	MG/L	1-10-23	EPA 200.7
Potassium	1360		500	MG/L	1-10-23	EPA 200.7
Sodium	106000		500	MG/L	1-10-23	EPA 200.7

JANUARY 2023 RESULTS

INJECTION WATER INORGANIC COMPOUNDS

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Alkalinity, Bicarbonate	278		5.00	MG/L	1-6-23	310.1
Alkalinity, Carbonate	<1.00		1.00	MG/L	1-6-23	310.1
Chloride	264		4.00	MG/L	1-6-23	4500. C1.B
Conductivity	1520		1.00	UMHOS/CM	1-6-23	120.1
pH	7.84		0.100	pH units	1-6-23	150.1
Sulfate	143		25.0	MG/L	1-9-23	375.4
TDS	847		5.00	MG/L	1-9-23	160.1
Alkalinity Total	228		4.00	MG/L	1-6-23	310.1

INJECTION WATER TOTAL RECOVERABLE METALS by ICP (E220.7)

Analyte	Result	MDL	Reporting Limit	Units	Analyzed Date	Method
Calcium	107		1.00	MG/L	1-10-23	EPA 200.7
Magnesium	22.5		1.00	MG/L	1-10-23	EPA 200.7
Potassium	11.2		10.00	MG/L	1-10-23	EPA 200.7
Sodium	138		10.00	MG/L	1-10-23	EPA 200.7

January 12, 2023

BEN DONAHUE
ETZ WATER STATION
PO BOX 6056
HOBBS, NM 88241

RE: SCHUBERT

Enclosed are the results of analyses for samples received by the laboratory on 01/04/23 13:09.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-22-15. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Total Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Cardinal Laboratories is accredited through the State of New Mexico Environment Department for:

Method SM 9223-B	Total Coliform and E. coli (Colilert MMO-MUG)
Method EPA 524.2	Regulated VOCs and Total Trihalomethanes (TTHM)
Method EPA 552.2	Total Haloacetic Acids (HAA-5)

Accreditation applies to public drinking water matrices for State of Colorado and New Mexico.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
BRINE WATER	H230028-01	Water	04-Jan-23 07:53	04-Jan-23 13:09
INJECTION WATER	H230028-02	Water	04-Jan-23 07:50	04-Jan-23 13:09
MONITOR WELL	H230028-03	Water	04-Jan-23 07:45	04-Jan-23 13:09

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Remedies: Cardinal's liability and others' exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever, shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates, or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

BRINE WATER
H230028-01 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories
Inorganic Compounds

Alkalinity, Bicarbonate	224		5.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Chloride*	200000		4.00	mg/L	1	2122718	AC	06-Jan-23	4500-C1-B	
Conductivity*	265000		1.00	umhos/cm @ 25°C	1	3010505	GM	06-Jan-23	120.1	
pH*	6.95		0.100	pH Units	1	3010505	GM	06-Jan-23	150.1	
Temperature °C	22.5			pH Units	1	3010505	GM	06-Jan-23	150.1	
Sulfate*	5420		1250	mg/L	125	3010613	GM	09-Jan-23	375.4	QM-07
TDS*	315000		5.00	mg/L	1	2122905	AC	09-Jan-23	160.1	
Alkalinity, Total*	184		4.00	mg/L	1	2111425	GM	06-Jan-23	310.1	

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

Calcium*	914		50.0	mg/L	500	B230041	AES	10-Jan-23	EPA200.7	
Magnesium*	712		50.0	mg/L	500	B230041	AES	10-Jan-23	EPA200.7	
Potassium*	1360		500	mg/L	500	B230041	AES	10-Jan-23	EPA200.7	
Sodium*	106000		500	mg/L	500	B230041	AES	10-Jan-23	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: LIABILITY AND WARRANTIES: Cardinal's liability and reports exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

INJECTION WATER
H230028-02 (Water)

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories
Inorganic Compounds

Alkalinity, Bicarbonate	278		5.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Chloride*	264		4.00	mg/L	1	2122718	AC	06-Jan-23	4500-CL-B	
Conductivity*	1520		1.00	umhos/cm @ 25°C	1	3010505	GM	06-Jan-23	120.1	
pH*	7.84		0.100	pH Units	1	3010505	GM	06-Jan-23	150.1	
Temperature °C	22.5			pH Units	1	3010505	GM	06-Jan-23	150.1	
Sulfate*	143		25.0	mg/L	2.5	3010613	GM	09-Jan-23	375.4	
TDS*	847		5.00	mg/L	1	2122905	AC	09-Jan-23	160.1	
Alkalinity, Total*	228		4.00	mg/L	1	2111425	GM	06-Jan-23	310.1	

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

Calcium*	107		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Magnesium*	22.5		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Potassium*	11.2		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Sodium*	138		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: LIABILITY AND WARRANTIES: CARDINAL LABORATORY AND REPORTS EXCLUSIVE REMEDY FOR ANY CLAIM ARISING, WHETHER BASED IN CONTRACT OR TORT, SHALL BE LIMITED TO THE AMOUNT PAID BY CLIENT FOR ANALYSES. ALL CLAIMS, INCLUDING THOSE FOR NEGLIGENCE OR ANY OTHER CAUSE WHATSOEVER, SHALL BE DEEMED WAIVED UNLESS MADE IN WRITING AND RECEIVED BY CARDINAL WITHIN THIRTY (30) DAYS AFTER COMPLETION OF THE APPLICABLE SERVICE. TO THE EXTENT THAT CARDINAL IS LIABLE FOR NEGLIGENCE OR CONSEQUENTIAL DAMAGE, INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTIONS, LOSS OF USE, OR LOSS OF PROFITS INCURRED BY CLIENT, ITS SUBSIDIARIES, AFFILIATES, OR SUCCESSORS ARISING OUT OF OR RELATED TO THE PERFORMANCE OF THE SERVICES HEREUNDER BY CARDINAL, REGARDLESS OF WHETHER SUCH CLAIM IS BASED UPON ANY OF THE ABOVE STATED REASONS OR OTHERWISE, RESULTS RELATE ONLY TO THE SAMPLES IDENTIFIED ABOVE. THIS REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITH WRITTEN APPROVAL OF CARDINAL LABORATORIES.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

**MONITOR WELL
 H230028-03 (Water)**

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories
Inorganic Compounds

Alkalinity, Bicarbonate	215		5.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Chloride*	216		4.00	mg/L	1	2122718	AC	06-Jan-23	4500-CL-B	
Conductivity*	1190		1.00	umhos/cm @ 25°C	1	3010505	GM	06-Jan-23	120.1	
pH*	8.22		0.100	pH Units	1	3010505	GM	06-Jan-23	150.1	
Temperature °C	22.5			pH Units	1	3010505	GM	06-Jan-23	150.1	
Sulfate*	68.2		25.0	mg/L	2.5	3010613	GM	09-Jan-23	375.4	
TDS*	644		5.00	mg/L	1	2122905	AC	09-Jan-23	160.1	
Alkalinity, Total*	176		4.00	mg/L	1	2111425	GM	06-Jan-23	310.1	

Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

Calcium*	71.3		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Magnesium*	21.5		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Potassium*	<10.0		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Sodium*	97.5		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: LIABILITY AND WARRANTIES: CARDINAL'S LIABILITY AND REMEDY EXCLUSIVE REMEDY FOR ANY CLAIM ARISING, WHETHER BASED IN CONTRACT OR TORT, SHALL BE LIMITED TO THE AMOUNT PAID BY CLIENT FOR ANALYSES. ALL CLAIMS, INCLUDING THOSE FOR NEGLIGENCE OR ANY OTHER CAUSE WHATSOEVER, SHALL BE DEEMED WAIVED UNLESS MADE IN WRITING AND RECEIVED BY CARDINAL WITHIN THIRTY (30) DAYS AFTER COMPLETION OF THE APPLICABLE SERVICE. TO THE EXTENT THAT CARDINAL IS LIABLE FOR NEGLIGENCE OR CONSEQUENTIAL DAMAGE, INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTIONS, LOSS OF USE, OR LOSS OF PROFITS INCURRED BY CLIENT, ITS SUBSIDIARIES, AFFILIATES, OR SUCCESSORS ARISING OUT OF OR RELATED TO THE PERFORMANCE OF THE SERVICES HEREUNDER BY CARDINAL, REGARDLESS OF WHETHER SUCH CLAIM IS BASED UPON ANY OF THE ABOVE STATED REASONS OR OTHERWISE, RESULTS RELATE ONLY TO THE SAMPLES IDENTIFIED ABOVE. THIS REPORT SHALL NOT BE REPRODUCED EXCEPT IN FULL WITH WRITTEN APPROVAL OF CARDINAL LABORATORIES.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

Inorganic Compounds - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 2111425 - General Prep - Wet Chem										
Blank (2111425-BLK1) Prepared & Analyzed: 14-Nov-22										
Alkalinity, Carbonate	ND	1.00	mg/L							
Alkalinity, Bicarbonate	5.00	5.00	mg/L							
Alkalinity, Total	4.00	4.00	mg/L							
LCS (2111425-BS1) Prepared & Analyzed: 14-Nov-22										
Alkalinity, Carbonate	ND	2.50	mg/L				80-120			
Alkalinity, Bicarbonate	330	12.5	mg/L				80-120			
Alkalinity, Total	270	10.0	mg/L	250		108	80-120			
LCS Dup (2111425-BSD1) Prepared & Analyzed: 14-Nov-22										
Alkalinity, Carbonate	ND	2.50	mg/L				80-120		20	
Alkalinity, Bicarbonate	318	12.5	mg/L				80-120	3.86	20	
Alkalinity, Total	260	10.0	mg/L	250		104	80-120	3.77	20	
Batch 2122718 - General Prep - Wet Chem										
Blank (2122718-BLK1) Prepared & Analyzed: 27-Dec-22										
Chloride	ND	4.00	mg/L							
LCS (2122718-BS1) Prepared & Analyzed: 27-Dec-22										
Chloride	100	4.00	mg/L	100		100	80-120			
LCS Dup (2122718-BSD1) Prepared & Analyzed: 27-Dec-22										
Chloride	104	4.00	mg/L	100		104	80-120	3.92	20	
Batch 2122905 - Filtration										
Blank (2122905-BLK1) Prepared: 29-Dec-22 Analyzed: 30-Dec-22										
TDS	ND	5.00	mg/L							

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: LIABILITY AND WARRANTIES: Cardinal's liability and entire exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

Inorganic Compounds - Quality Control
Cardinal Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	Limits	RPD	Limit	Notes
---------	--------	-----------------	-------	-------------	---------------	------	--------	-----	-------	-------

Batch 2122905 - Filtration
LCS (2122905-BS1) Prepared: 29-Dec-22 Analyzed: 30-Dec-22

TDS	442		mg/L	495		89.3	80-120			
-----	-----	--	------	-----	--	------	--------	--	--	--

Duplicate (2122905-DUP1) Source: H226082-01 Prepared: 29-Dec-22 Analyzed: 30-Dec-22

TDS	381	5.00	mg/L		397			4.11	20	
-----	-----	------	------	--	-----	--	--	------	----	--

Batch 3010505 - General Prep - Wet Chem
LCS (3010505-BS1) Prepared: 05-Jan-23 Analyzed: 06-Jan-23

pH	7.13		pH Units	7.00		102	90-110			
Conductivity	99100		uS/cm	100000		99.1	80-120			

Duplicate (3010505-DUP1) Source: H230028-01 Prepared: 05-Jan-23 Analyzed: 06-Jan-23

pH	6.89	0.100	pH Units		6.95			0.867	20	
Conductivity	269000		1.00 umhos/cm @ 25°C		265000			1.57	20	
Temperature °C	22.5		pH Units		22.5			0.00	200	

Batch 3010613 - General Prep - Wet Chem
Blank (3010613-BLK1) Prepared: 06-Jan-23 Analyzed: 09-Jan-23

Sulfate	ND	10.0	mg/L							
---------	----	------	------	--	--	--	--	--	--	--

LCS (3010613-BS1) Prepared: 06-Jan-23 Analyzed: 09-Jan-23

Sulfate	19.2	10.0	mg/L	20.0		95.8	80-120			
---------	------	------	------	------	--	------	--------	--	--	--

LCS Dup (3010613-BSD1) Prepared: 06-Jan-23 Analyzed: 09-Jan-23

Sulfate	19.1	10.0	mg/L	20.0		95.6	80-120	0.209	20	
---------	------	------	------	------	--	------	--------	-------	----	--

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: Accuracy and Reliability: Cardinal's liability and entire exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates, or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 ETZ WATER STATION
 PO BOX 6056
 HOBBS NM, 88241

 Project: SCHUBERT
 Project Number: SHUBERT #7 WATER SAMPLES
 Project Manager: BEN DONAHUE
 Fax To:

 Reported:
 12-Jan-23 11:19

Total Recoverable Metals by ICP (E200.7) - Quality Control
Green Analytical Laboratories

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-------------	-----	-----------	-------

Batch B230041 - Total Recoverable by ICP
Blank (B230041-BLK1)

Prepared: 09-Jan-23 Analyzed: 10-Jan-23

Magnesium	ND	0.100	mg/L							
Calcium	ND	0.100	mg/L							
Sodium	ND	1.00	mg/L							
Potassium	ND	1.00	mg/L							

LCS (B230041-BS1)

Prepared: 09-Jan-23 Analyzed: 10-Jan-23

Sodium	1.68	1.00	mg/L	1.62		104	85-115			
Potassium	4.03	1.00	mg/L	4.00		101	85-115			
Magnesium	9.94	0.100	mg/L	10.0		99.4	85-115			
Calcium	1.94	0.100	mg/L	2.00		96.8	85-115			

LCS Dup (B230041-BS1)

Prepared: 09-Jan-23 Analyzed: 10-Jan-23

Potassium	4.09	1.00	mg/L	4.00		102	85-115	1.43	20	
Calcium	1.93	0.100	mg/L	2.00		96.6	85-115	0.229	20	
Sodium	1.83	1.00	mg/L	1.62		113	85-115	8.72	20	
Magnesium	9.99	0.100	mg/L	10.0		99.9	85-115	0.509	20	

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: LIABILITY AND WARRANTIES: Cardinal's liability and clients exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates, or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

QM-07	The spike recovery was outside acceptance limits for the MS and/or MSD. The batch was accepted based on acceptable LCS recovery.
ND	Analyte NOT DETECTED at or above the reporting limit.
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C. Samples reported on an as received basis (wet) unless otherwise noted on report.

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: Liability and Damages: Cardinal's liability and extent of its remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence or any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager



101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

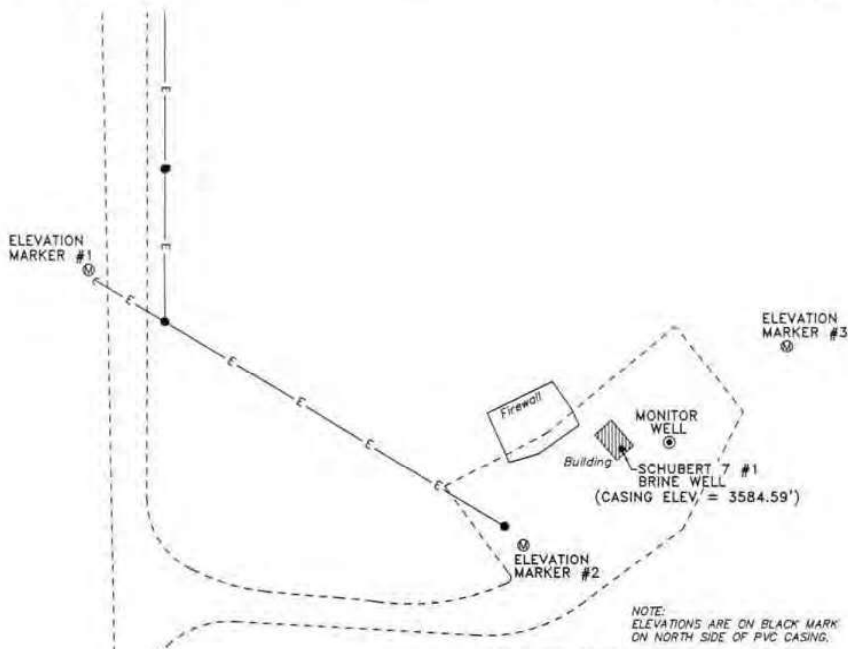
CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>ETZ Water Station</u> Project Manager: <u>Ben Donahue</u> Address: <u>P.O. Box 5102</u> City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u> Phone #: <u>(575) 393-3151</u> Fax #: _____ Project #: _____ Project Name: <u>Schubert #1 Water Samples</u> Project Location: <u>Schubert #1 Brine Well</u> Sample Name: <u>Ben Donahue</u> <small>FOR LAB USE ONLY</small>		P.O. #: _____ Company: _____ Attn: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone #: _____ Fax #: _____	
Lab I.D.: <u>H230078</u> Sample I.D.: <u>1 Brine water</u> <u>2 Injection water</u> <u>3 Mother well</u>		(G)RAB OR (C)OMP. _____ # CONTAINERS _____ MATRIX: <input type="checkbox"/> GROUNDWATER <input type="checkbox"/> WASTEWATER <input type="checkbox"/> SOIL <input type="checkbox"/> OIL <input type="checkbox"/> SLUDGE <input type="checkbox"/> OTHER: _____ PRESERV: _____ SAMPLING: _____	
Date: <u>11/4/23</u> Time: <u>8:49</u> Date: _____ Time: _____		RECEIVED BY: <u>[Signature]</u> CHECKED BY: <u>[Signature]</u> RECEIVED BY: _____ CHECKED BY: _____	
Delivered By: (Circle One) <input checked="" type="radio"/> Sample - UPS <input type="radio"/> Bus - Other		Observed Temp. °C: <u>-0.6</u> Corrected Temp. °C: <u>-1.2</u> Sample Condition: <input checked="" type="checkbox"/> Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Rainquished By: <u>[Signature]</u> Relinquished By: <u>[Signature]</u>		Turnaround Time: _____ Standard <input checked="" type="checkbox"/> Rush <input type="checkbox"/> Bacteria (only) Sample Condition: <input checked="" type="checkbox"/> Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Corrected Temp. °C: _____	
REMARKS: <u>gan mschubert@gmail.com</u> Verbal Result: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Add'l Phone #: _____ All Results are emailed. Please provide Email address: _____			
DATE TIME: <u>11/4/23 7:53a</u> ✓ <u>11/4/23 7:55x</u> <u>11/4/23 7:45x</u>			
Cation / Anion			

† Cardinal cannot accept verbal changes. Please email changes to celey.keene@cardinallabsnm.com

APPENDIX G

SECTION 7, TOWNSHIP 19 SOUTH, RANGE 39 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

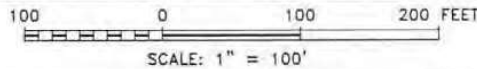


NEW MEXICO STATE PLANE COORDINATES (NAD83)

WELL	NORTHING	EASTING	LATITUDE	LONGITUDE	ELEVATION
EM-1	611304.81	925484.92	32°40'27.52"	103°05'05.71"	3591.65
EM-2	611100.65	925800.11	32°40'25.46"	103°05'02.05"	3586.37
EM-3	611248.41	925991.42	32°40'26.90"	103°04'59.79"	3586.23
EM-4	610926.15	925561.84	32°40'23.76"	103°05'04.86"	3586.94
CASING					3584.59

REVISION #	DATE	DESCRIPTION
1	SEPT. 9, 2015	ORIGINAL SURVEY
2	DEC. 15, 2015	RESURVEY--NO CHANGE IN ELEVATIONS
3	APRIL 12, 2016	RESURVEY--NO CHANGE IN ELEVATIONS
4	JULY 26, 2016	RESURVEY--NO CHANGE IN ELEVATIONS
5	OCTOBER 27, 2016	RESURVEY--NO CHANGE IN ELEVATIONS
6	February 6, 2017	RESURVEY--NO CHANGE IN ELEVATIONS
7	May 11, 2017	RESURVEY--NO CHANGE IN ELEVATIONS
8	AUGUST 30, 2017	RESURVEY--NO CHANGE IN ELEVATIONS
9	JANUARY 10, 2018	RESURVEY--NO CHANGE IN ELEVATIONS
10	MAY 1, 2018	RESURVEY--NO CHANGE IN ELEVATIONS
11	SEPTEMBER 5, 2018	RESURVEY--NO CHANGE IN ELEVATIONS
12	JANUARY 15, 2019	RESURVEY--NO CHANGE IN ELEVATIONS
13	MAY 7, 2019	RESURVEY--NO CHANGE IN ELEVATIONS
14	OCTOBER 14, 2019	RESURVEY--NO CHANGE IN ELEVATIONS
15	JANUARY 31, 2020	RESURVEY--NO CHANGE IN ELEVATIONS
16	MAY 12, 2020	RESURVEY--NO CHANGE IN ELEVATIONS
17	SEPTEMBER 9, 2020	RESURVEY--NO CHANGE IN ELEVATIONS
18	JUNE 21, 2021	RESURVEY--NO CHANGE IN ELEVATIONS
19	Sept. 30, 2021	RESURVEY--NO CHANGE IN ELEVATIONS
20	December 27, 2021	RESURVEY--NO CHANGE IN ELEVATIONS
21	March 8, 2022	RESURVEY--NO CHANGE IN ELEVATIONS
22	July 15, 2022	RESURVEY--NO CHANGE IN ELEVATIONS
23	Sept. 30, 2022	RESURVEY--NO CHANGE IN ELEVATIONS

- NOTE:
- SEE DOCUMENTS FILED FOR RECORD IN THIS OFFICE WHICH DESCRIBE IN DETAIL THE RECONSTRUCTION OF THIS SECTION.
 - COORDINATES AND BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM NAD 83, NEW MEXICO EAST ZONE AND DISTANCES ARE OF SURFACE VALUE.
 - ELEVATIONS BASED OFF GOVERNMENT TRI-STATION GOVERNMENT TR-STATION DESIGNATION: E 98, PID: CV0314 N: 608923.89, E: 907545.93, ELEV: 3602.22
 - WELLS HAVE NOT REDUCED IN ELEVATION SINCE SEPTEMBER 9, 2015.



I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES



P.O. BOX 1786--HOBBS, NEW MEXICO

H.R.C. INC.

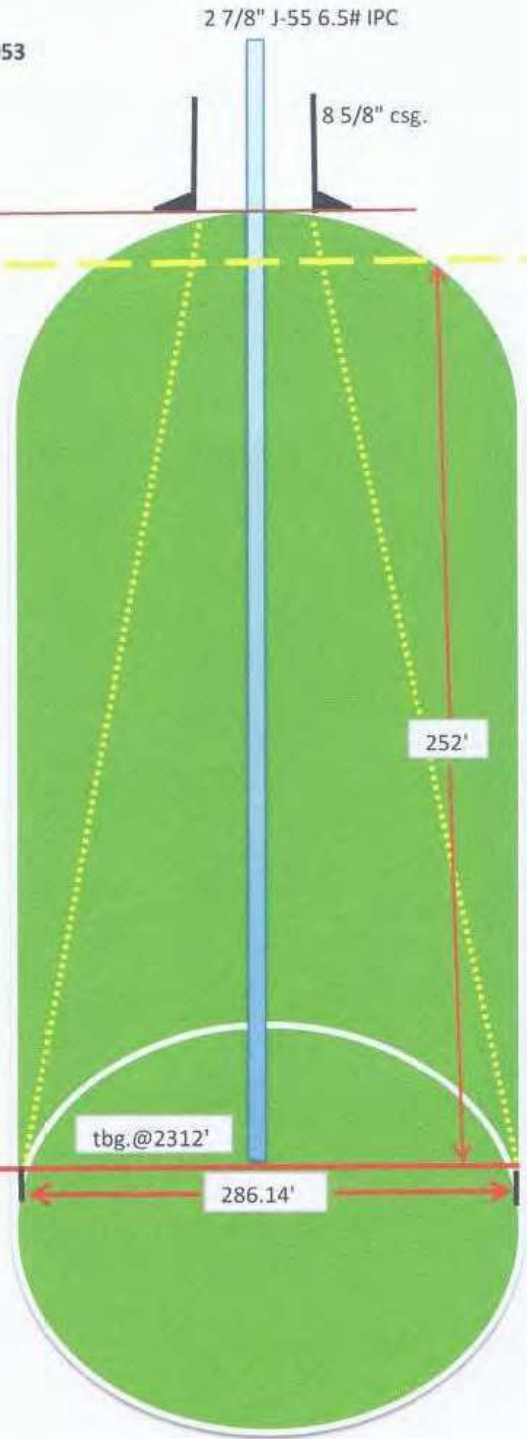
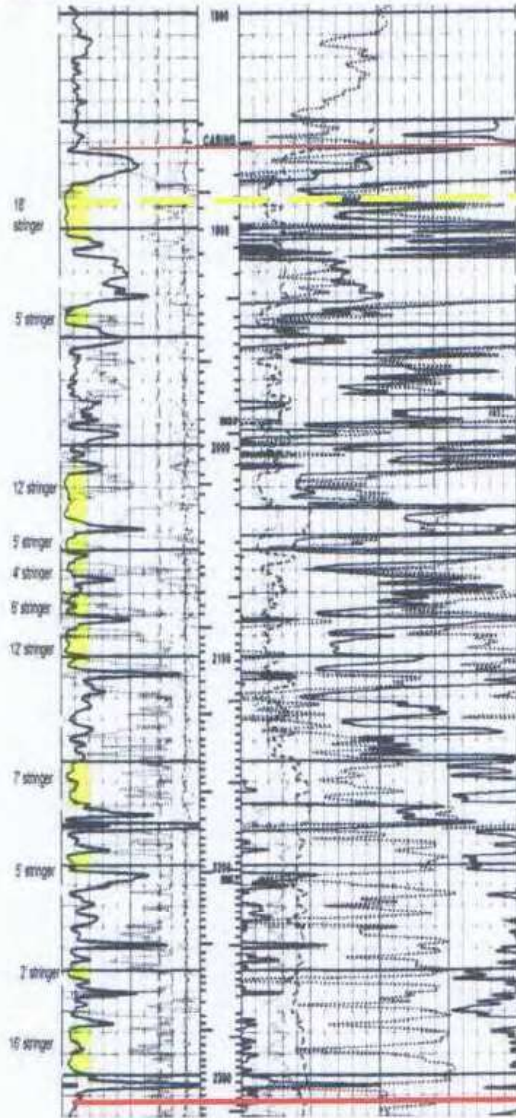
REF: ELEVATION MARKERS

ELEVATION MARKERS LOCATED IN
SECTION 7, TOWNSHIP 19 SOUTH, RANGE 39 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 35624	Drawn By: K. GOAD
Date: 10-07-2022	Disk: KJG - SCHUBERT MW 35888
Survey Date: 09-30-2022	Sheet 1 of 1 Sheets

APPENDIX H
Previous Cavern Characterization

Schubert 7 Well No1
 API 30-025-36781
 J SEC7 T19S R39E LAT: 32.6738815 LONG:-103.0835953



PPG 9.97 brine
 PPG 8.34 fresh
 SG 1.1951
 2006 to 2017 Total Brine ovl. 3,538,154
 122.136 LBS / BBL = 432,135,977 LBS HALITE
 (432,135,977 LBS) / (80BLS per ft³) = 5,401,700 ft³

$$V = \frac{\pi R^2 h}{3}$$

$$V = \frac{(3.14159 * 143.07^2) * (252')}{3}$$

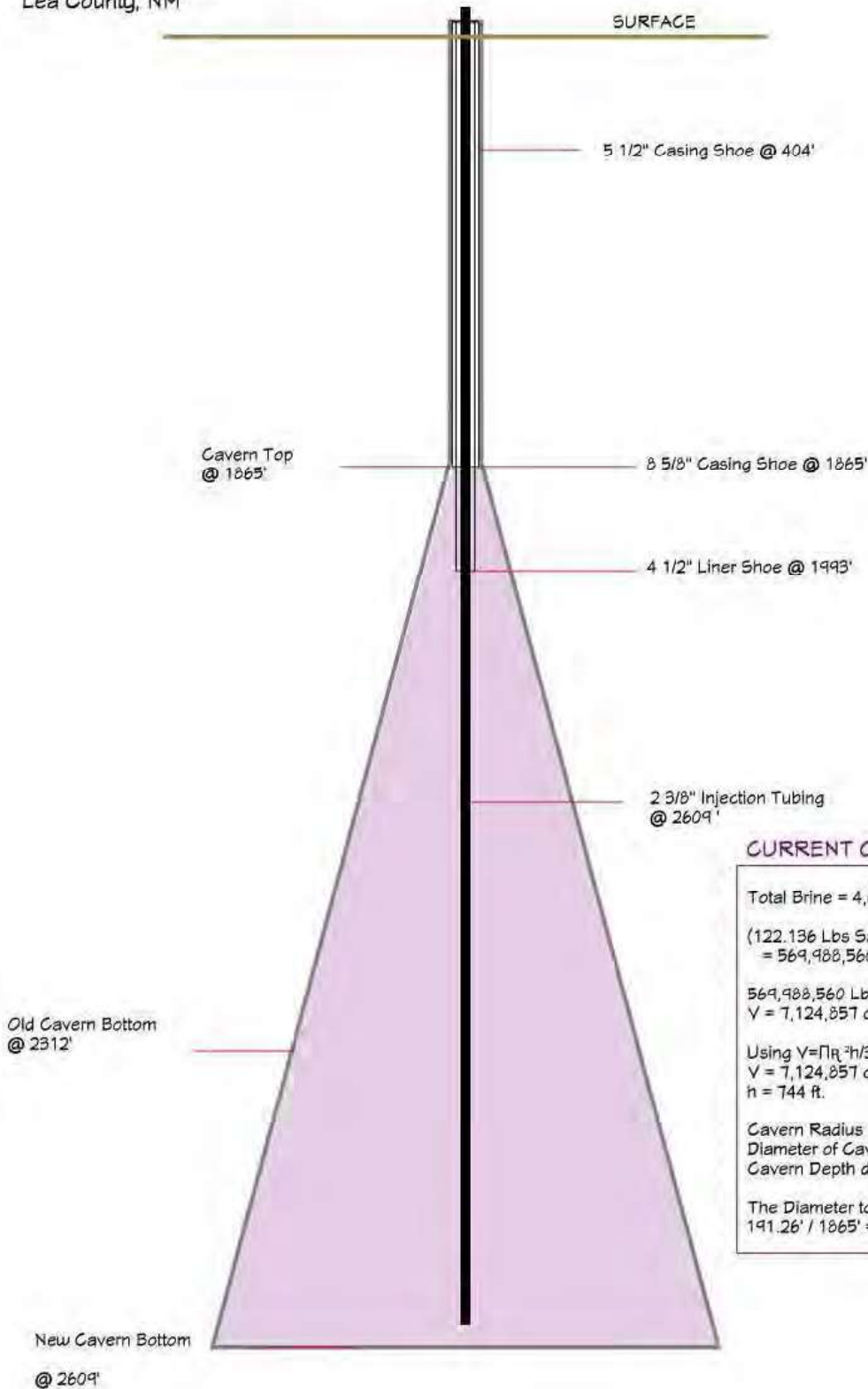
$$V = 5,401,648.6 \text{ ft}^3$$

Est. height is 252'
 Est. cavern floor diameter is 286.14'

Current Cavern Characterization

H.R.C. Inc.

Schubert 7 Well #1 BW-31
 2313 FSL, 2313 FEL, Sec. 7, T19S, R39E
 API # 30-025-36781
 Lea County, NM



CURRENT CAVERN CHARACTERIZATION

Total Brine = 4,666,835 Bbls through December 31, 2022
 (122.136 Lbs Salt / Bbl Brine) * Total Bbls
 = 569,988,560 Lbs Salt Mined
 569,988,560 Lbs Salt / (80 lbs salt per cu ft.) = V
 V = 7,124,857 cu ft. Salt Mined
 Using $V = \pi R^2 h / 3$ where
 V = 7,124,857 cu ft.
 h = 744 ft.
 Cavern Radius R = 95.63 ft.
 Diameter of Cavern D = 2R = 191.26 ft.
 Cavern Depth d = 1865 ft.
 The Diameter to depth ratio D/d = Cavern size factor
 191.26' / 1865' = 0.102 , < 0.5 max

**APPENDIX I
Previous Bond**

Form WQCC-1
Revised April 3, 2017

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION (OCD)
WATER QUALITY CONTROL COMMISSION (WQCC) OCD DISCHARGE PERMIT BOND**

BOND NO. ROG0001426
OCD PERMIT BW-031
AMOUNT OF BOND \$71,830.00
COUNTY Lea

File with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505

KNOW ALL MEN BY THESE PRESENTS:

That HRC, Inc., (an individual – if dba must read – Example: John Doe dba ABC Services) (a general partnership) (a corporation), (limited liability company) (limited partnership) organized in the State of New Mexico, and authorized to do business in the State of New Mexico, as PRINCIPAL, and RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION), pursuant to 20.6.2.5210.B(17) NMAC, 20.6.2.5006 NMAC, and 20.6.2.3107.A(11) NMAC, in the sum of \$71,830.00, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, the PRINCIPAL does or may own or operate a "Facility" (identified by location only below) and/or one or more wells (identified by location(s) below) for the injection of fresh and non-fresh water, remediation fluids (i.e., Class I (NH) Disposal Well or Class V Pump & Treat Injection Well), oilfield exempt, non-exempt and/or geothermal produced fluid waste(s) into the subsurface for use in connection with oil, gas and/or geothermal activities, which well is classified as a Division Underground Injection Control Class I, III or V Injection Well pursuant to the 20.6.2.5002 et seq. NMAC, the identification and location(s) of said well(s) being:

Schubert 7 No. 001 API No. 30-025-36781, located 2,313 feet from the South (Name of Well) (North/South) line and 2,313 feet from the East (East/West) line of Section 7 Township 19S (North) (South), Range 39E (East) (West), NMPM, and Latitude 32.6738815 Longitude -103.0835953 NAD83 County Lea, New Mexico.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall: (a) cause said well(s) to be properly plugged and abandoned when no longer productive or useful for other beneficial purpose in accordance with the WQCC rules and/or orders of the DIVISION; and (b) take all measures necessary, as required by the DIVISION by OCD Permit No. BW-031 pursuant to 20.6.2 and 20.6.4 NMAC, as such rules now exist or may hereafter be amended, to prevent contamination of ground water having 10,000 milligrams per liter (mg/l) or less concentration of total dissolved solids (TDS), including, but not limited to, surface and ground water restoration if applicable, and post-operational monitoring.

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

PRINCIPAL

Address
By _____
Signature

Title

If PRINCIPAL is a corporation, affix

RLI Insurance Company
SURETY
2925 Richmond Ave., Ste. 1600, Houston, TX 77098

Address
Michelle Madd
Attorney-in-Fact

Corporate surety affix



June 28, 2023

State of New Mexico
Energy, Minerals & Natural Resources Department
Oil conservation Division

RE: HRC, Inc.
Evergreen National Indemnity Company Bond # 651217
RLI Insurance Company Bond # ROG0001426

To Whom It May Concern,

Please accept Evergreen National Indemnity Company Bond # 651217 replacing RLI Insurance Company Bond # ROG0001426.

Please provide evidence releasing RLI Insurance Company Bond # ROG0001426 effective the replacement date. Evidence of release can be in the form of a letter or email sent to jbowers@evergreenbonds.com.

Thank you for your assistance and please let me know if you have any questions.

Sincerely,

Evergreen National Indemnity Company



Lillian Pezzano
Attorney-In-Fact

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

SURETY BOND

- SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]
- BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]
- RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]
- SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]
- WQCC DISCHARGE PERMIT (INCLUDING CLASS I, III, and V INJECTION WELLS) [20.6.2.3107.A(11) NMAC; 20.6.2.5006 NMAC; 20.6.2.5210.B(17) NMAC; 20.6.2.5320 NMAC; 20.6.2.5342(A)(1) NMAC; 20.6.2.5361(A)(3) NMAC; 20.6.2.5362(A)(3) NMAC; 20.6.2.5363 NMAC]
- ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]

BOND NUMBER	651217 Supersedes ROG0001426
BOND AMOUNT	\$146,466.00
FINANCIAL INSTITUTION	Evergreen National Indemnity Company
OPERATOR/PRINCIPAL	HRC, Inc.
OGRID NUMBER	
WELL/FACILITY	Schubert 7 No. 001
TYPE OF WELL	[] Active [] Inactive [] Approved Temporary Abandonment
WELL DEPTH	
LOCATION	Section [7] Township [19S] Range [39E] County [Lea]
API/ PERMIT NUMBER	30-025-36781

KNOW ALL MEN BY THESE PRESENTS:

That HRC, Inc., (an individual – **if dba must read – Example: John Doe dba ABC Services**) (a general partnership) (a corporation) (limited liability company) (limited partnership) organized in the State of New Mexico, and authorized to do business in the State of New Mexico), as PRINCIPAL, and Evergreen National Indemnity Company, a corporation organized and existing under the laws of the State of Ohio and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION), pursuant to NMSA 1978, Section 70-2-14, as amended, in the sum of \$ 146,466.00 ----, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors, and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are one of the following:

1. WHEREAS, the PRINCIPAL has commenced or may commence the drilling of one well to a depth not to exceed _____ feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas, or brine minerals, or as an injection or other service well related to such exploration or production, or owns or operates, or may acquire, own, or operate such well, the identification and location of said well being:
Schubert 7 No. 001 API No. 30-025-36781
(Name of Well)
 located 2,313 feet from the (~~North~~/South) line and 2,313 feet from the (East/~~West~~) line of Section 7, Township 19S (~~North~~) (South), Range 39E (East) (~~West~~), NMPM, Lea County, New Mexico.
2. WHEREAS, the PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, Basic Sediment & Water, tank bottoms, waste oil or other oil field related waste in Section _____, Township _____, Range _____, NMPM, County _____, New Mexico.

3. The OPERATOR/PRINCIPAL(APPLICANT/PERMITTEE) has or may enter into the collection, treatment, storage, recycling, and re-use of produced water in Section _____, Township _____, Range _____, NMPM, County _____, New Mexico ("Facility"). ISSUER has been advised that OPERATOR/PRINCIPAL has requested this Bond as security for OPERATOR/PRINCIPAL's compliance with all laws and rules applicable to such activities, including, but not limited to, proper closing and remediation of the Facility.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well be properly plugged and abandoned when dry or when no longer productive or useful for other beneficial purpose, in accordance with the rules and orders of the DIVISION, Oil Conservation Commission, or a court of competent jurisdiction, including but not limited to 19.15.8.9 and 19.15.25.10 NMAC, as such rules now exist or may hereafter be amended;

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

HRC, Inc.

PRINCIPAL

Address

By _____
Signature

Title

Evergreen National Indemnity Company

SURETY
6150 Oak Tree Blvd., Suite 440
Independence, Ohio 44131

Address
Lillian Pezzano

Attorney-in-Fact Lillian Pezzano

Corporate surety, affix Corporate seal
below:

IF PRINCIPAL is a corporation, affix
Corporate Seal below:

ACKNOWLEDGMENT FOR INDIVIDUAL

(If dba, must read – Example: John Doe dba Well Services)

State of _____)
SS.
County of _____)

This instrument was acknowledged before me on this _____ day of _____,
20 ____, by _____
(Name of Individual)

Notary Public

SEAL

My Commission Expires:

ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY

State of _____)
SS.
County of _____)

This instrument was acknowledged before me on this _____ day of _____,
20 ____, by _____ of _____
(Capacity, e.g., partner, president, manager, member, company)

(Name of Partnership, corporation, or limited liability company)

Notary Public

SEAL

My Commission Expires:

EVERGREEN NATIONAL INDEMNITY COMPANY

Independence, Ohio

POWER OF ATTORNEY

Bond No. 651217

KNOW ALL MEN BY THESE PRESENTS: That the Evergreen National Indemnity Company, a corporation in the State of Ohio does hereby nominate, constitute and appoint:

Julie K Bowers, Denise M Borowy, Hilarie Frankenberry, Karen M Loconti-Diaz, Lillian Pezzano, Patricia A Temple

its true and lawful Attorney(s)-In-Fact to make, execute, attest, seal and deliver for and on its behalf, as Surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, PROVIDED, however, that the obligation of the Company under this Power of Attorney shall not exceed ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00)

This Power of Attorney is granted and is signed by facsimila pursuant to the following Resolution adopted by its Board of Directors on the 23rd day of July, 2004

"RESOLVED, That any two officers of the Company have the authority to make, execute and deliver a Power of Attorney constituting as Attorney(s)-in-fact such persons, firms, or corporations as may be selected from time to time.
FURTHER RESOLVED, that the signatures of such officers and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company, and any such powers so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Evergreen National Indemnity Company has caused its corporate seal to be affixed hereunto, and these presents to be signed by its duly authorized officers this 1st day of April, 2022.

EVERGREEN NATIONAL INDEMNITY COMPANY



By: [Signature]
Matthew T. Tucker, President
By: [Signature]
David A. Canzone, CFO

Notary Public)
State of Ohio) SS:

On this 1st day of April, 2022, before the subscriber, a Notary for the State of Ohio, duly commissioned and qualified, personally came Matthew T. Tucker and David A. Canzone of the Evergreen National Indemnity Company, to me personally known to be the individuals and officers described herein, and who executed the preceding instrument and acknowledged the execution of the same and being by me duly sworn, deposed and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of said Corporation, and that the resolution of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Cleveland, Ohio, the day and year above written.



[Signature]
Julie K. Bowers, Notary Public
My Commission Expires August 13, 2024

State of Ohio) SS:

I, the undersigned, Secretary of the Evergreen National Indemnity Company, a stock corporation of the State of Ohio, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth herein above, is now in force.

Signed and sealed in Independence, Ohio, this 28th day of June, 2023



[Signature]
Wan C. Collier, Secretary

APPENDIX J

H.R.C. Inc.
P.O. Box 5102
Hobbs, NM 88241

ANALYSIS OF BRINE WELL CLOSING EXPENSES

Schubert 7 Well # 1

API# 30-025-36781

PLUG & ABANDON COSTS

\$43,763.00	Well Plugging, Pulling Unit, Tools, Etc. (A-Plus P & A LLC)
	Trucking, Rental Equipment, Water, Misc. (A-Plus P & A LLC)
\$16,950.00	Cementing (A-Plus P & A LLC)
\$ 5,000.00	Contingency
\$65,713.00	Total Plus & Abandon Costs

TANK/SURFACE EQUIPMENT/ETC.

\$49,253.00	Remove Tanks (Includes Cleaning) (1 st Backhoe)
	Remove & Haul off signs, concrete, fencing, etc. (1 st . Backhoe)
	Removal of Pit Liner & Berm Material (1 st Backhoe)
	Removal of Production Pipeline (1 st Backhoe)
	Reseeding (1 st Backhoe)
\$6,500.00	Supervision & Contingency
\$55,753.00	Total Surface Restoration Costs

SUBSURFACE MONITORING

\$20,000.00	Surveying Expenses (\$1,000.00 x 5 years x 4 Quarter / Year)
\$ 5,000.00	Office Expenses (Reporting at \$1,000.00/Year)
\$25,000.00	Total Subsurface Monitoring Costs
\$146,466.00	Total Closure Plan Costs

APPLICATION FOR AUTHORIZATION TO INJECT

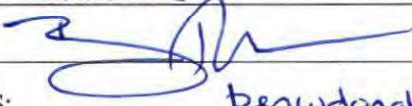
- I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage Brine Production
Application qualifies for administrative approval? Yes No
- II. OPERATOR: H.R.C. Inc.
ADDRESS: PO Box 5102 Hobbs, NM 88241
CONTACT PARTY: Gary M Schubert PHONE: (575) 631-0962 EMAIL: garymschubert@gmail.com
- III. 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.
- See Attached **APPENDIX A**
- IV. Is this an expansion of an existing project? Yes 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.
- See Attached **APPENDIX B**
- 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.
- See Attached **APPENDIX C**
- VII. Attach data on the proposed operation, including:
- Proposed average and maximum daily rate and volume of fluids to be injected;
 - Average Rate – 900 Bbbls/day @ 26gpm
 - Maximum Rate – 1030 Bbbls/day @ 30gpm
 - Whether the system is open or closed;
 - This is a closed system
 - Proposed average and maximum injection pressure;
 - Average Injection Pressure – 265psi
 - Maximum Injection Pressure – 285psi
 - Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 - Source – Effluent or Recycled water See **Appendix D** for an analysis of injected water from Cardinal Laboratory
 - All water sources will be unsaturated which will dissolve salt from the formation and return as saturated brine.
 - 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.).
 - Injection is not for disposal.
- *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 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.
- This information was previously submitted in the 2018 Discharge Renewal Permit
- IX. Describe the proposed stimulation program, if any.
- No stimulation is proposed.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- Logs were filed for this well in November of 2004 and can be found in the OCD Log File and previous renewal permits.
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- See **Appendix E** for a chemical analysis from the monitor well located at the Schubert Farms Well #1 well site.

- 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.
- This is not a disposal well. However H.R.C. Inc. has examined the available geologic and engineering data and find no evidence of faults or any other hydrologic connection between the zone of injection and any other underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

- Proof of notice is to be done in accordance with WQCC Public Notice & Permitting flowchart. Specifically in accordance with NMAC 20.6.2.3108.
- H.R.C. Inc will provide notice in accordance of subsection F of 20.6.2.3108 NMAC
- H.R.C. Inc. will post a synopsis of the public notice on 2'x3' signs in both English and Spanish in space that is conspicuous to the public for the term specified by the department.
- H.R.C. Inc. will publish this same synopsis in a display advertisement not in the classifieds or legal advertisement section in the Hobbs News Sun.
- See **Appendix F** for a copy of the Public Draft Notice in English. At the time of notice a copy in both English and Spanish will be published in the Hobbs News Sun Paper and at both public locations specified on the notice.

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 Donahue TITLE: Manager
SIGNATURE:  DATE: 10/15/2023
E-MAIL ADDRESS: benwdonahue@gmail.com

- * 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: See Notes made under each of these sections for dates and circumstances pertaining to information previously submitted.

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

APPENDIX A

Well Data

A(1) Lease Name: Schubert 7
Well No.: Schubert 7 Well #1 API: 30-025-36781
Location: Unit J Section 7 Township 19S Range 38E, 2313' FSL, 2313; FEL

A(2) Casing String

Surface Casing

Size: 8 5/8"
Setting Depth: 1865'
Sacks of Cement: 900
Hole Size: 12 1/4"
Top of Cement: Surface
How top Determined: Circulated to Surface

Intermediate Casing

Size: 5 1/2"
Setting Depth: 404'
Sacks of Cement: 200
Top of Cement: Surface
How top Determined: Circulated to Surface

Production Casing

Size: 4 1/2"
Setting Depth: 1993'
Sacks of Cement: N/A (KCL used to surface)

A(3) Tubing

Size: 2 3/8" 4.7# J-55
Not Lined
Setting Depth: 2609'

A(4) Packer

Name: None
Model: N/A
Setting Depth: N/A

** See Attached Schematic

B(1) Injection Formation: Salado formation of the Ochoa Series

B(2) Open Hole Terminating at 2609'

B(3) Well was originally drilled for Oil Production

B(4) Existing plugging detail:

CIBP at 2947'
CIBP at 4089'
CIBP at 5710'
CIBP at 7900'

Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised April 3, 2017 1. WELL API NO. 30-025-36781 2. Type of Lease <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No.
---	--	--

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)	5. Lease Name or Unit Agreement Name SHUBERT 7 6. Well Number: No.1 BW-031
---	--

7. Type of Completion:
 NEW WELL WORKOVER DEEPENING PLUGBACK DIFFERENT RESERVOIR OTHER, set liner 100' below surface csg.

8. Name of Operator: **H.R.C., INC.** 9. OGRID: **131652**

10. Address of Operator: **P.O. Box 5102 Hobbs, NM 88241** 11. Pool name or Wildcat: **BSW SALADO**

12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	J	7	19S	39E		2313	SOUTH	2313	EAST	LEA
BH:										

13. Date Spudded 9-22-04	14. Date T.D. Reached 10-7-04	15. Date Rig Released SERVICE UNIT RELEASED 12/22/2020	16. Date Completed (Ready to Produce) 12/22/2020	17. Elevations (DF and RKB, RT, GR, etc.) 3585 GL
------------------------------------	---	--	---	--

18. Total Measured Depth of Well 7900'	19. Plug Back Measured Depth	20. Was Directional Survey Made? NO	21. Type Electric and Other Logs Run EXISTING ON FILE
---	------------------------------	--	--

22. Producing Interval(s), of this completion - Top, Bottom, Name
1865' -2649' SALADO

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	1865'	12 1/4"	900 SX CIR. SURFACE	
Intermediate	15.5 #	404'	8 5/8"	200 SX CIR. SURFACE	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
4.5" 11.35# J-55	SURFACE	1993'	3% PKR. FLUID		2 3/8" J-55	2609'	

26. Perforation record (interval, size, and number) 7 7/8" OH 1865' - 2609'	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28. **PRODUCTION**

Date First Production 12/22/2020	Production Method (Flowing, gas lift, pumping - Size and type pump) PUMPING - TA3	Well Status (Prod. or Shut-in) PRODUCING
-------------------------------------	--	---

Date of Test 1/15/2021	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl 860-1000 10# BRINE	Gas - Oil Ratio
---------------------------	--------------------	------------	------------------------	-----------	-----------	-----------------------------------	-----------------

Flow Tubing Press. 260 PSI	Casing Pressure 45	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
-------------------------------	-----------------------	-------------------------	------------	-----------	--------------	-----------------------------

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Test Witnessed By
BEN DONAHUE

31. List Attachments
WELL BORE SHEMATIC

Released by (ACT) 3/3/2021 11:19:56 AM with the location of the temporary pit. 33. Rig Release Date: Page 2 of 3

34. If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude Longitude NAD83

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature *David A. Alvarado* Printed Name DAVID ALVARADO Title ACTING AGENT FOR H.R.C., INC. Date: 2/5/2021

E-mail Address davidal00136@gmail.com

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico		
T. Anhy	1775	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	1880	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	2900	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	2930	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	3160	T. Devonian	T. Cliff House	T. Leadville
T. Queen	3710	T. Silurian	T. Menefee	T. Madison
pT. Grayburg	4080	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	4396	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	5715	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	5858	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinebry	6260	T. Gr. Wash	T. Dakota	
T. Tubb	6820	T. Delaware Sand	T. Morrison	
T. Drinkard	7050	T. Bone Springs	T. Todilto	
T. Abo	7464	T.	T. Entrada	
T. Wolfcamp		T.	T. Wingate	
T. Penn		T.	T. Chinle	
T. Cisco (Bough C)		T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology

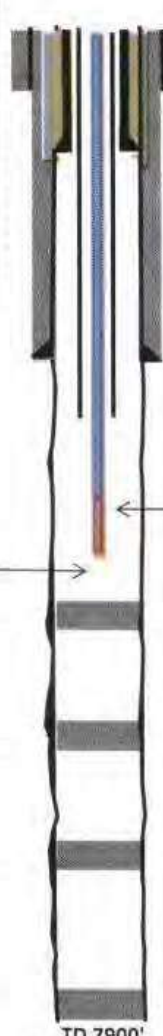
1151	1455	304	RB /SHALE				
1455	1775	320	SHALE				
1775	1880	105	ANHYDRITE				
1880	2900	1020	SALT, RB,SHALE				
2900	3130	230	ANHY., SALT,SHALE				
3130	4080	950	ANHY., DOLOMITE				
4080	4430	350	DOLOMITE, ANHY.				
4430	7500	3070	DOLOMITE, LIMESTONE				
7500	7900	400	DOLOMITE				

SCHUBERT 7 WELL NO. 1
 API 30-025-36781
 2313 FSL, 2313 FEL
 J - SEC 7 - T19S - R39E
 LAT: 32.6738815 LONG: -103.0835953

Current
 12/22/2020

Lithology Record (C-105)

From	To	Thick / ft.	Lithology
212'	1151'	939'	Redbed
1151'	1455'	304'	RB / Shale
1455'	1775'	320'	Shale
1775'	1880'	105'	Anhydrite
1880'	2900'	1020'	Salt, Redbed, Shale
2900'	3130'	230'	Anhy, Salt, Shale
3130'	4080'	950'	Anhy., Dolomite
4080'	4430'	350'	Dolomite, Anhydrite
4430'	7500'	3070'	Dolomite, Limestone
7500'	7900'	400'	Dolomite



TREE Hung with 3M head
 79 jts. 2 3/8" 4.7# J-55
 Bit SET @ 2609'

INTER. 5 1/2" 15.5# Drift 4.825"
 Set @ 404' 200 sx cir surf

SURFACE SET AT 8 5/8" 24# ST&C
 1865' w/900SX
 CIR. SURFACE

Liner 4 1/2" 11.35# J55 liner Csg.
 set @ 1993'
 3% KCL Surface to 1865'

OH HOLE SIZE 7 7/8"

DRILL OH TO 2649'

BHA point @ 2609' W/...
 3 1/8" OD X 1 1/2" ID xo
 4 - 3 1/8" OD x 1 1/2" ID D/C
 3 1/8" x 1 3/4" ID xo
 Bit 3 7/8" Bear Claw Bit

Yates @2930' PLUG # 4 100sx @ 2947'
 est. TOC @ 2,557' 390'

PLUG # 3 40sx @ 4089'
 est. TOC @ 3,933' 156'

PLUG # 2 35sx @ 5710'
 est. TOC @ 5,573' 137'

PLUG # 1 30sx @ 7900'
 est. TOC @ 7,783' 117'

Formation Top (C-105)

T. Anhy	1775'
T. Salt	1880'
B. Salt	2900'
T. Yates	2930'
T. 7 Rivers	3160'
T. Queen	3710'
T. Grayburg	4080'
T. San Andres	4396'
T. Glorieta	5715'
T. Paddock	5858'
T. Blinebry	6260'
T. Tubb	6820'
T. Drinkard	7050'
T. Abo	7464'

TD 7900'

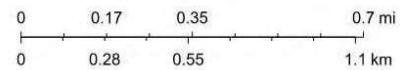
1/2 Mile AOR



5/25/2023, 10:27:31 AM

- Wells - Large Scale
 - Oil, Temporarily Abandoned
 - ⊙ Miscellaneous
 - Oil, Active
 - Oil, Plugged
- PLSS Second Division
 - PLSS First Division
 - PLSS Townships

1:18,056



Esri, NASA, NGA, USGS, FEMA, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., Esri Community Maps Contributors, New Mexico State University, Texas Parks & Wildlife, CDANP,

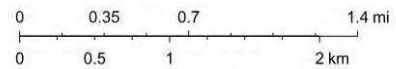
2 Mile AOR



5/25/2023, 9:53:47 AM

- Wells - Large Scale
 - Miscellaneous
 - Gas, Active
 - Gas, Plugged
 - Injection, Active
 - Injection, Plugged
 - Oil, Active
 - Oil, Cancelled
 - Oil, Plugged
 - Oil, Temporarily Abandoned
- PLSS First Division
 - PLSS Townships

1:36,112



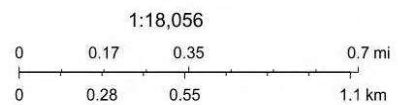
Esri, NASA, NGA, USGS, FEMA, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., BLM, New Mexico State University, Texas Parks & Wildlife, CONANP, Esri, HERE, Garmin,

POD's Within 1 Mile AOR



5/25/2023, 10:52:03 AM
GIS WATERS PODs

- Active
- Pending
- Inactive
- Plugged
-



Esri, HERE, IPC, Esri, HERE, Garmin, IPC, Maxar

Web Generated Map
Map is generated by web users.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

**INJECTION WATER
H230028-02 (Water)**

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories

Inorganic Compounds

Alkalinity, Bicarbonate	278		5.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Chloride*	264		4.00	mg/L	1	2122718	AC	06-Jan-23	4500-Cl-B	
Conductivity*	1520		1.00	umhos/cm @ 25°C	1	3010505	GM	06-Jan-23	120.1	
pH*	7.84		0.100	pH Units	1	3010505	GM	06-Jan-23	150.1	
Temperature °C	22.5			pH Units	1	3010505	GM	06-Jan-23	150.1	
Sulfate*	143		25.0	mg/L	2.5	3010613	GM	09-Jan-23	375.4	
TDS*	847		5.00	mg/L	1	2122905	AC	09-Jan-23	160.1	
Alkalinity, Total*	228		4.00	mg/L	1	2111425	GM	06-Jan-23	310.1	

Green Analytical Laboratories

Total Recoverable Metals by ICP (E200.7)

Calcium*	107		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Magnesium*	22.5		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Potassium*	11.2		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Sodium*	138		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence in any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether its claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analytical Results For:

ETZ WATER STATION PO BOX 6056 HOBBS NM, 88241	Project: SCHUBERT Project Number: SHUBERT #7 WATER SAMPLES Project Manager: BEN DONAHUE Fax To:	Reported: 12-Jan-23 11:19
---	--	------------------------------

**MONITOR WELL
H230028-03 (Water)**

Analyte	Result	MDL	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
---------	--------	-----	-----------------	-------	----------	-------	---------	----------	--------	-------

Cardinal Laboratories

Inorganic Compounds

Alkalinity, Bicarbonate	215		5.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Alkalinity, Carbonate	<1.00		1.00	mg/L	1	2111425	GM	06-Jan-23	310.1	
Chloride*	216		4.00	mg/L	1	2122718	AC	06-Jan-23	4500-Cl-B	
Conductivity*	1190		1.00	umhos/cm @ 25°C	1	3010505	GM	06-Jan-23	120.1	
pH*	8.22		0.100	pH Units	1	3010505	GM	06-Jan-23	150.1	
Temperature °C	22.5			pH Units	1	3010505	GM	06-Jan-23	150.1	
Sulfate*	68.2		25.0	mg/L	2.5	3010613	GM	09-Jan-23	375.4	
TDS*	644		5.00	mg/L	1	2122905	AC	09-Jan-23	160.1	
Alkalinity, Total*	176		4.00	mg/L	1	2111425	GM	06-Jan-23	310.1	

Green Analytical Laboratories

Total Recoverable Metals by ICP (E200.7)

Calcium*	71.3		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Magnesium*	21.5		1.00	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Potassium*	<10.0		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	
Sodium*	97.5		10.0	mg/L	10	B230041	AES	10-Jan-23	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence in any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damage including, without limitation, business interruptions, loss of use, or loss of profits, incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether the claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Celey D. Keene, Lab Director/Quality Manager

PUBLIC NOTICE

(BW-31) HRC, Inc., Gary Schubert, Owner, P.O. Box 5102, Hobbs, NM 88241, (575) 393-3194, has submitted a new application for an Underground Injection Control (UIC) Class III Brine Well Discharge Permit for the "Schubert #7 Brine Well No. 1" (API# 30-025-36781), located 2313 FSL and 2313 FEL UL:J in Section 7, Township 19 South, Range 38 East (Lat. N 32.6738815°, Long.: W 103.0835953°), NMPM, Lea County, New Mexico. The injection well is located approximately 3.6 miles SE of Hobbs, NM or 2.5 miles E of the intersection of Hwy- 18 (S. Eunice Hwy.) and 0.55 mile S of E. Stanolind Rd. Brine fluid will be produced up the 4 ½" well casing backed by 5 ½" Casing set at 404' and cement to surface, metered, and piped 3.4 miles thru surface run polyethylene pipeline to the brine station for sale. The brine station or sales terminal is located approximately 1.1 miles SW of the brine well at 1914 East Nadine Rd., Hobbs, NM 88240. Effluent and/or recycled water from the underground effluent pipeline that serves the farming operations in that area is transported via one 3 inch polyline to the brine well for injection into the Salado Salt Formation in the injection interval from 2,600 ft. to 2,800 ft. bgl (below ground level). The existing 5 1/2 in. well production casing extends to 7900 ft. bgl with bridge plugs set at 7,900 ft., 5,710 ft., 4,089 ft., 2,947 ft. bgl. The water supply line is connected to the suction side of a pump, which pumps recycled and/or effluent water down the 2 3/8 in. tubing within the 4 ½" well production casing at a depth of 2,609' bgl. Freshwater will be injected via 2 3/8" tubing at 2609 ft. bgl at a rate of approximately 15 - 35 gpm at a normal operating surface Injection pressure range of 260 to 275 psi. The maximum surface injection pressure allowed is 333 psig. Brine (300,000 ppm Total Dissolved Solids- TDS) is produced up the well annulus between the injection tubing and well casing. This routine fluid flow process is termed "normal flow" and is required by OCD to maintain proper salt cavern structural configuration or development for maximum stability over time. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 50 - 70 ft. bgl and is monitored by a monitor well at the permitted well site. Samples taken from this monitor well indicate a TDS concentration of approximately 500 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. Public Notice signage for this discharge permit will be displayed on a 3'x5' sign in both English and Spanish at the City of Hobbs Public Library at 509 N. Shipp St. and also at the ETZ Water Station located on E. Nadine Rd. approximately .81 miles east of the intersection of Hwy. 18 and Nadine Rd. on the north side of Nadine Rd.

The OCD will accept public comments regarding this application and notice. Interested persons have 30 days to provide public comment to the OCD. Persons interested in obtaining a copy of the application and draft permit may contact the OCD at the address given below. The permit may be viewed at the same address between 8:00 a.m. and 4:00 pm Monday – Friday or on the OCD website <http://www.emnrd.state.nm.us/ocd/>. Prior to ruling on the 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. The OCD will create a facility – specific mailing list for persons who wish to receive future notices. Interested persons may contact:

Engineering Bureau – UICManager
Oil Conservation Division
1220 South Saint Francis Drive Santa Fe, NM 87505
Telephone: (505) 660-8274
E-mail: Phillip.Goetze@state.nm.us