

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised August 1, 2011
Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES
(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal

I. Facility Name: **Buckeye Brine Station (EIDSON STATE #001)**

II. Operator: **Wasserhund Inc. 575-396-0522**

Address: **P0 Box 2140 Lovington, NM 88260**

Contact Person: **Wayne Price-Price LLC** Phone: **505-715-2809 Price LLC**

III. Location: **SE** /4 **SW** /4 Section **31** Township **16S** Range **35E**

Submit large scale topographic map showing exact location. **ON File OCD**

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

NMSLO -State Land

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

Fresh and Brine Water- See existing Files no change.

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

See existing Files no change.

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

Brine Extraction Well

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

Same as existing permit

IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water. **This information has been demonstrated and is on File at OCD.**

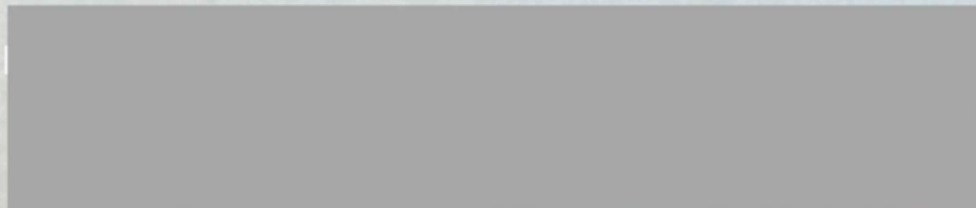
X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders. **Currently the existing Permit BW-04 is in compliance.**

Draft Public Notice Attached for OCD 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: <u>Jon James Gandy</u> | Title: <u>Owner</u> |
| Signature: <u>Jon James Gandy</u> | Date: <u>7.9.24</u> |
| E-mail Address: <u>johnrgandy@aol.com</u> | |



Attachments:

- 1. Draft Letter to Land Owner and Draft Public Notice.**
- 2. Wasserhund Inc. Permit BW-04 Closure Plan and Cost Estimate for Permit Renewal 2024.**
- 3. Contingency Plan for 2024 application.**
- 4. C-108 for Reference with Well Bore Schematic and C-103.**

DRAFT

Certified-Return Receipt: XXXXXXXXXXXXXXXXXXXX

July 5, 2024

New Mexico State Land Office
310 Old Santa Fe Trail,
Santa Fe, NM 87504

Reference: Salt Lease M197520001

Subject: Landowner Notification

Dear NMSLO:

Please find enclosed a revised Public Notice concerning the OCD permit renewal process for Brine Well-BW-04 located in Lea County NM.

If you have any questions please do not hesitate to call or E-mail Wayne Price-Price LLC consultant for Wassehund Inc. @ 505-715-2809 or waynepriceq.com@gmail.com.

In addition you may contact Mr. Carl Chavez (NMOCD) as noted in the Public Notice.

Sincerely,

A handwritten signature in black ink, appearing to read "W Price". The signature is written in a cursive, flowing style.

Wayne Price-Price LLC

CC: Jon Gandy-Wasserhund Inc.
Carl Chavez-NMOCD

Attachments 1-

DRAFT

Public Notice Display Ad: (Lovington, NM "Leader")

Legal notification for 3"x4" newspaper display add per Water Quality Control Commission Regulations 20.6.2.3.108.8.4 NMAC

Renewal of Discharge Permit (BW-004) Wasserhund Inc., P.O. Box 2140 Lovington, New Mexico 88260. Jon Gandy has filed a permit renewal application with the New Mexico Oil Conservation Division (OCD) to renew the operating permit for the UIC Class III Brine Well "Eidson State No. 1" (API# 30- 025-26883) UL: M Section 31 Township 16 South, Range 35 East, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Lea County, New Mexico.

This site is located on State Road 238 and approximately 7 miles west and 5 miles south of Lovington, New Mexico.

Fresh water is injected down a 2402' long 2-3/8" tubing arrangement contained in a 5-1/2" casing (annulus) whipstock offset located at approximately 1734 feet. The casing is set at a depth of 2100 feet below the surface, which is 50 feet into the Salado Salt Formation.

Anticipated 10lb/gal quality brine water from the Salado salt formation is returned to the surface thru the casing annulus.

The site produces approximately 14,000 barrels of brine water per month with an average injection pressure of 260-280 psig. Maximum injection/test pressure is limited by an auto-pressure shut down switch set at 375 psig.

Ground water in this area is approximately 75 feet below the ground surface and has a total dissolved solid content of 300-400 mg/l.

This facility has the capacity to store approximately 4,250 bbls of brine water in above ground tanks and is designed and permitted to have no intentional water contaminants discharged to the surface or subsurface for the protection of groundwater. The system has concrete and synthetic liners to prevent any spills or leaks from reaching the ground surface.

If you have any questions or concerns, please do not hesitate to contact Wasserhund Inc. at the address above or you may contact Wayne Price 505-715-2809 or E-mail waynepriceq.com@gmail.com. Wasserhund Inc. welcomes your input.

The New Mexico Oil Conservation Division (OCD) will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Interested persons may contact Carl Chavez-Environmental Engineer, Oil Conservation Division (OCD) 505-476-3465 or by writing 1220 South Saint Francis, Santa Fe, New Mexico, 87505.

Wasserhund Inc. Permit BW-04. Closure Plan and Cost Estimate for Permit Renewal 2024

Wasserhund Inc. proposes to utilize the current requirements of the existing permit which reads as:

2.D. CLOSURE: The Permittee shall submit for OCD approval, a facility closure plan with third-party cost estimate pursuant to 20.6.2.5209 NMAC and as specified in Permit Conditions 2.I and 5.B to address: well plug and abandonment, land surface restoration; environmental groundwater monitoring (if applicable); pipeline abandonment; and three years of surface subsidence monitoring.

Wasserhund Inc hereby agrees to a Closure of the Edison St #1 Brine Well by Plug and Abandonment pursuant to the current requirements listed in WQCC 20.6.2.5209 and the procedures listed in NMOCD 19.15.25 PLUGGING AND ABANDONMENT OF WELLS.

The work in general will entail removing all production tubing, setting an approved cement plug, and cementing from bottom to surface. All piping, and associated well head equipment will be removed and an Approve P&A marker installed. The estimated cost at todays USA Dollars is approximately \$29,000.00.

Land surface restoration will consist of restoring the land to the previous state. This will include removing all associated equipment, piping, tanks, liners, buildings, electrical pumps and associated equipment, controls, and all overhead devices, signs, etc. Currently Wasserhund does not have any outstanding leak or spill issues and no outstanding C-141's. The estimated cost at todays USA dollars is approximately \$20,000.00.

Environmental Groundwater monitoring is not anticipated at this time, as no issues of groundwater contamination exist at this time. A recently installed monitor well lab analysis showed no contamination under the site. Monitor Well will be P&A per OCD/NMOSE requirements. Estimated Cost is approximately \$900.00.

There is no dedicated pipeline at this facility.

Subsidence monitor for three years is estimated to be approximately \$500 x 2/ year x 3 years = \$ 3000.000

The total estimated closure cost is calculated by Price LLC to be approximately \$52,900.00 at todays USA dollars.

Financial Assurance currently is provided by a Letter of Credit made out to the OCD for an amount of \$50,000.00. RLB 69089833; LOC No. NZS608368 Wells Fargo Bank.

July 13, 2024

Contingency Plan for BW-04 (Permit Renewal)

Shall be posted at the site.

Emergency Response Notification List:

- **Call 911-For all emergencies**
- **Lea County Sherriff Department-24/7 -Non Emergency**
- **Phone: (575) 396-3611**
- **Wasserhund Inc. 24/7 Randy Mccormick on-site attendant 575-370-1180-Cell**
- **Jon Gandy-575-369-9909 -cell**
- **Price LLC- 505-715-2809 - cell**
- **Hobbs OCD-OFFICE: EMERGENCY NUMBER - MOBILE: (575) 626-0830**

Releases: All releases as defined in 19.15.29.7 will be conducted pursuant to OCD rule 19.15.29 NMAC (Releases) with proper notification. The use of an OCD form C-141 shall be utilized and where immediate notification is required the OCD Emergency number will be utilized.

Discharge Permit Conditions: All permit conditions that require immediate notification to OCD will be followed, unless approved by OCD otherwise.

This includes permit conditions, except in emergency situations, where such permit requirements would endanger the environment, the public at large, and on-site personnel.

Once the emergency condition is over, then OCD will be contacted to address such emergencies.

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No

Brine Well Extraction Renewal

II. OPERATOR: **Wasserhund Inc-**

ADDRESS: **P.O. Box 2140 Lovington, New Mexico 88260.**

CONTACT PARTY: **Wayne Price-Price LLC waynepriceq.com@gmail.com** PHONE: **505-715-2809**

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes No **Renewal of Permit BW-04**
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.

This information has been recently submitted to OCD in the BW-04 annual report.

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.

This information was listed in the BW-04 annual report to OCD and previously submitted.

VII. Attach data on the proposed operation, including:

- Proposed average and maximum daily rate and volume of fluids to be injected; **Approximately 15k BBL Fresh- 14K BBL Brine Monthly**
- Whether the system is open or closed; **OPEN**
- Proposed average and maximum injection pressure; **injection pressure 260-280 psig. Max Injection Pressure 375 psig.**
- Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, **On site fresh water supply well and monitor well. Recent Lab Analysis are on file with OCD.**
- 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.). **NA**

*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. **Information has been submitted in previous submittals-On file**

IX. Describe the proposed stimulation program, if any. **Reverse flow for maintenance.**

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
All testing data is on file with OCD-

*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.

Supply and monitor well On site. Recent Lab analysis on file with OCD.

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. **Wasserhund Inc herby affirms this requirement and certification by signing this form.**

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
Wasserhund has submitted a Draft Public notice for WQCC requirements. Per Carl Chavez C-108 PN not required.

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: **Jon Gandy** TITLE: **7/9/24**

SIGNATURE: _____ DATE: _____

E-MAIL ADDRESS: _____

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

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

SIGNATURE:

Jon R Gandy

DATE:

2/9/24

E-MAIL ADDRESS:

jonrgandy@aol.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: _____

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

1

III. WELL DATA **All well information has been previously submitted.**

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE **Per Carl Chavez this PN not required.**

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN

SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: **Wasserhund Inc.**

WELL NAME & NUMBER: **Edison State #1**

WELL LOCATION: **(API# 30- 025-26883) UL: M Section 31 Township 16 South, Range 35 East, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Lea County, New Mexico.**

| | | | |
|----------|------------------|-------------|---------|
| | FOOTAGE LOCATION | UNIT LETTER | SECTION |
| TOWNSHIP | RANGE | | |

WELLBORE SCHEMATIC Attached for reference. DATA

WELL CONSTRUCTION

| | |
|--|--------------------------|
| ON file with OCD <u>Surface Casing</u> | |
| Hole Size: _____ | Casing Size: _____ |
| Cemented with: _____ sx. | or _____ ft ³ |
| Top of Cement: _____ | Method Determined: _____ |
| NA <u>Intermediate Casing</u> | |
| Hole Size: _____ | Casing Size: _____ |
| Cemented with: _____ sx. | or _____ ft ³ |
| Top of Cement: _____ | Method Determined: _____ |
| ON file with OCD <u>Production Casing</u> | |
| Hole Size: _____ | Casing Size: _____ |
| Cemented with: _____ sx. | or _____ ft ³ |
| Top of Cement: _____ | Method Determined: _____ |
| Total Depth: _____ | |
| ON file OCD <u>Injection Interval</u> | |
| _____ feet | to _____ |

(Perforated or Open Hole; indicate which) **Open Hole**

ON file with OCD

INJECTION WELL DATA SHEET

Tubing Size: _____ Lining Material: _____

Type of Packer: _____

Packer Setting Depth: _____

Other Type of Tubing/Casing Seal (if applicable):

Additional Data

1. Is this a new well drilled for injection? _____ Yes No

If no, for what purpose was the well originally drilled?

Brine Extraction

2. Name of the Injection Formation:

Salado Salt

3. Name of Field or Pool (if applicable):

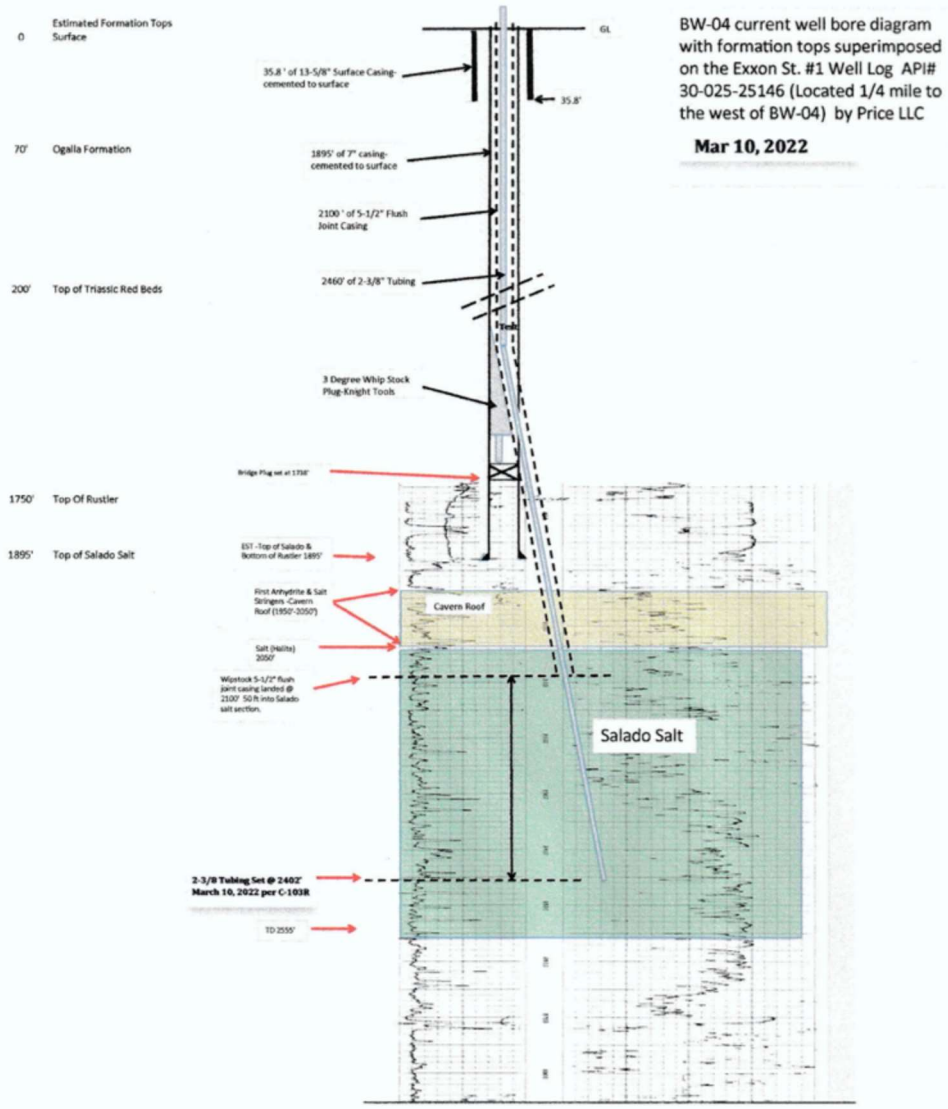
Salado Salt

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

NA

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

No Oil & Gas Producing Formations above Salt Section- Oil & Gas Formations found below Salado Salt



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

| |
|---|
| WELL API NO. 30-025-26883 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. 25-26883 |
| 7. Lease Name or Unit Agreement Name Eidson Brine Station, BW-004 |
| 8. Well Number 1 |
| 9. OGRID Number 130851 |
| 10. Pool name or Wildcat Salado-Salt |

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.)

1. Type of Well: Oil Well Gas Well Other Brine Well

2. Name of Operator Wasserhund, Inc

3. Address of Operator P.O. Box 2140, Lovington, NM 88260

4. Well Location
 Unit Letter M 567 feet from the **South** line and 161 feet from the **West** line
 Section 31 Township 16S Range 35E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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 checked="" type="checkbox"/> | ALTERING CASING <input 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: <input 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.

Well began to make low quality Brine- Found Tubing Leak, Pull Tubing, set packer tested casing-passed test witness by OCD, drilled out old tubing, and re-entered with tubing, put well back on making 10# Brine. See Attached for detail description of workover.

Spud Date: 3/4/2022 Rig Release Date: 3/10/2022

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

SIGNATURE  TITLE Consultant DATE March 19, 2022

Type or print name Wayne Price E-mail address: wayneprice@q.com PHONE: 505-715-2809

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Workover Report

Wasserhund, Inc Eidson State #1

3/4/2022 Rig up and install BOP. Tubing was stuck. 1st stretch test showed stuck at 1975'. 2nd showed 1900'. Worked tubing until it came free. POOH laying down the tubing. 63 full joints. Last full joint was 2" American drill pipe. There was a 2' piece of the 64th joint on the end. 1992' of tubing recovered. Last two joints were bent. Brought in 80 joints of yellow band 2 3/8" J55 tubing. RIH with 4' perforated sub with a bull plug on the end. Tagged up at 2022'. Worked down to 2029' with tongs and could go no further. Laid down 2 joints and SION.

3/5/2022 POOH with tubing. Picked up bit sub and 3 3/4" bit. RIH and tagged up at 1926'. Picked up swivel and drilled down to 2034'. Could no get further. Tubing torquing up badly. POOH dragging. Laid down 2 joints of twisted tubing. Believe it wrapped around the parted tubing left in the hole. SION. Will perform and MIT on the casing before attempting to reach the salt cavity.

3/7/2022 RIH with AD-1 and set at 1865'. Would not hold. Obtained some old records and believe the 4 1/2" liner was set at 1881' in 2008. POOH to 1834' and set packer. Pressured up to 550# and ran chart. Witnessed by Kerry Fortner with the Hobbs OCD. Good chart. POOH with the packer. RIH with 2 3/8" collar with and X bar welded on the end and dressed with Kut Rite. RIH to 1834' and SION.

3/8/2022 RIH to 1897' and picked up swivel. Tagged up at 2027' with 5' in on joint 65 and began to drill down. Took 5 hrs to drill down joint 65 to 2054'. Picked up 66th joint and drilled until the end of the day. TD 2081'. POOH with 1 joint and SION.

3/9/2022 Continued to drill down. Reached 2435' with joint # 77. Tubing was torquing up and the pressure at the reverse pump was gaining. Believe reached the bottom of the brine cavity. Laid down 1 joint, laid down the swivel, removed the BOP and hung the tubing in the wellhead. EOT at 2402'. Tubing is free and no pressure when pumping down the tubing. This depth is 144' deeper than the previous tubing depth reported from the work over in 2008 (TWS field ticket). EOT reported at 2258' in 2008.

3/10/2022 Rigged down. Nipped up the wellhead and replace bad connections. Place the cage around the wellhead and connected the flowline to the battery. Started the triplex and began to pump down the tubing, charging up the cavity. Normal pump pressure down the tubing as per Mr. Gandy.