

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

**APPLICATION OF SALT CREEK MIDSTREAM, LLC
TO AMEND ORDER NO. R-20913-D**

CASE NO. _____

**SALT CREEK MIDSTREAM, LLC'S
APPLICATION TO AMEND ORDER NO. R-20913-D**

Salt Creek Midstream, LLC ("Salt Creek") requests that the New Mexico Oil Conservation Commission ("Commission") issue an order amending Order No. R-20913-D to extend the deadline for Salt Creek to commence injection into the Salt Creek Midstream AGI No. 1 Well¹ (API: 30-25-46746) (the "DMG Well") until six months from the date of the amended order. In support of its Application, Salt Creek states the following.

1. On August 5, 2019, Salt Creek filed an application seeking authority to inject treated acid gas ("TAG") into the proposed DMG Well. The application was assigned Case No. 20780.
2. The DMG Well is an Underground Injection Control Class II well subject to the requirements of 19.15.26 NMAC.
3. The DMG Well is a vertical well with an approximate surface and bottom hole location at 594 feet from the West line and 2,370 feet from the South line of Section 21, Township 26 South, Range 36 East.
4. The target injection zone for the DMG Well is the Bell Canyon and Cherry Canyon formations of the DMG at depths of approximately 5,410 feet to 7,000 feet.

¹ Because this well will be completed in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group ("DMG"), it is referenced herein as the "DMG Well."

5. The New Mexico State Land Office (“SLO”) and Oil Conservation Division (“OCD”) entered appearances in Case No. 20780.

6. Salt Creek, OCD, and SLO agreed upon a set of permit conditions (“Permit Conditions”).

7. The Commission heard Case No. 20780 on December 11, 2019.

8. On January 16, 2020, the Commission issued Order No. R-20913-C approving Salt Creek’s application with the Permit Conditions agreed upon by the Parties.

9. Salt Creek’s ability to spud the DMG well was subsequently delayed, and its injection authority under Order No. R-20913-C lapsed.

10. As a result, on September 17, 2020, Salt Creek filed an application requesting that the Commission amend Order No. R-20913-C to: (1) reinstate Salt Creek’s authorization to commence injection of TAG into the DMG Well; (2) require Salt Creek to commence injection of TAG into the DMG Well within two years of issuance of a new order; and (3) require Salt Creek to submit a C-108 for its redundant Devonian Well within six months after Salt Creek spuds the DMG Well.

11. On December 28, 2020, the Commission issued Order No. R-20913-D approving Salt Creek’s application.

12. Order No. R-20913-D requires Salt Creek to commence injection into the DMG Well no later than two years from the date of issuance, December 28, 2020. As a result, Salt Creek is required to commence injection into the DMG well by December 28, 2022.

13. Salt Creek spud the DMG Well on October 19, 2022. However, Salt Creek encountered complications in drilling the well, including stuck casing.

14. As a result of these complications, Salt Creek submitted a sundry request to OCD to plug the existing DMG Well and sidetrack the well on November 15, 2022. OCD approved the request to plug the DMG Well on November 16, 2022 and conditioned its approval of the well sidetrack upon receipt of the plugging information.

15. Salt Creek completed plugging operations on December 2, 2022 and submitted the plugging information to OCD. OCD approved Salt Creek's request to sidetrack the DMG Well on December 9, 2022.

16. As a result of the delays in drilling the DMG Well as described above, Salt Creek requests that the Commission amend Order No. R-20913-D to extend the deadline for Salt Creek to commence injection into the DMG well until six months from the date of the amended order.

17. Salt Creek has made significant investment in the DMG Well and intends to complete the well. As determined in Order No. R-20913-D, the DMG Well will not cause waste, impair correlative rights, or harm public health or the environment. Also, as recognized in Order No. R-20913-C, the Well will facilitate the sequestration of CO₂, which is in the public interest. Accordingly, Salt Creek's request for an extension of time to commence injection is reasonable and consistent with the order and the requirements of the Oil and Gas Act.

18. Salt Creek has communicated with the OCD regarding its request to amend Order No. R-20913-D as discussed above, and OCD does not oppose the request.

19. Salt Creek has diligently complied with all other requirements of Order No. R-20913-D, including:

- a. Salt Creek spudded the DMG Well on October 19, 2022 and commenced drilling on October 24, 2022.

- b. Salt Creek submitted an updated Area of Review map to the OCD Engineering Bureau 90-days prior to spudding the DMG Well.
- c. Salt Creek filed a Spud Sundry with OCD on November 15, 2022 after spudding the DMG Well.
- d. Salt Creek submitted the C-108 form for the redundant AGI well located in the Devonian-Silurian formations on October 12, 2022, prior to submission of the Spud Sundry for the DMG Well.

20. Salt Creek will provide notice of this application to all affected parties who were notified of Salt Creek's application in Case No. 21476.

For the foregoing reasons, Salt Creek requests that the Commission issue an order amending Order No. R-20913-D to extend Salt Creek's deadline to commence injection into the DMG Well until six months from the date of the amended order.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Application was sent to the following counsel by electronic mail on December 12, 2022.

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