

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



BY ELECTRONIC MAIL ONLY

Matt Eales
Vice President, EHS&R
Lucid Energy Group
3100 McKinnon, Suite 800
Dallas, TX 75201
E-mail: meales@lucid-energy.com

RE: Hearing Order No. R-20916 (As Amended); Extension of Deadline to Inject
Well: Red Hills AGI Well No. 2 (API 30-025-49474)
Located: 1800 feet FSL and 150 feet FEL in Sec 13, T24S, R33E, NMPM, Lea County,
New Mexico
Order Date: October 15, 2020
Injection formations: Devonian and Silurian formations; 16,000 feet to 17,600 feet

Dear Mr. Eales:

The Oil Conservation Division ("OCD") has reviewed your request on behalf of Lucid Energy Delaware, LLC ("Lucid"; OGRID 372422) dated January 18, 2022, to extend the deadline to commence injection into the referenced well. The request was submitted under Ordering Paragraph 20 of Order No. R-20916-H and was received prior to the deadline stated in the order.

Lucid detailed their reasons for requesting an extension and provided a statement that no additional wells penetrating the approved injection interval have been drilled within the Area of Review ("AOR") since the referenced order was granted. One new affected party in the AOR was notified of your extension request and did not protest the extension request.

The OCD finds that for reasons you have stated, the granting of this request to extend the deadline is in the interest of conservation, will prevent waste, and will protect the environment. Therefore, the deadline to commence injection for the existing order is hereby extended until **October 15, 2023**.

All requirements of the above referenced hearing order and agreements in the application remain in full force and effect. Any further extension of the deadline to commence injection shall be considered but must be submitted in writing prior to the new extended deadline. Furthermore, Lucid is reminded of the importance of this well to fulfill the OCD's practice of a redundant acid

gas injection well system at gas processing facilities. Please contact the UIC staff with any questions in regard to this extension or any matters concerning the OCD Underground Injection Control Class II well program.



ADRIENNE E. SANDOVAL
Division Director

Date: 4/1/2022

AS/drc

cc: Well file 30-025-49474
Case 20779

Attachments: Copy of Lucid Request for Extension Correspondence Dated January 18, 2022



3100 McKinnon, STE 800
Dallas, TX 75201
main 214.420-4950
fax 214.420.4949
www.lucid-energy.com

Mr. Phil Goetze
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Date: January 18, 2022

RE: Order No. R-20916-H – injection authority extension request

Mr. Goetze,

Lucid Energy requests NMOCD's approval of a one year extension to commence injection into the Lucid Energy Red Hills AGI #2 under Order No. R-20916-H.

Order No. R-20916-H requires Lucid to commence injection within two years of the approval date of October 15th, 2020. The same condition notes that *'the OCD Director, upon written request of Lucid submitted prior to the expiration of this order, may extend this time for good cause shown'*.

Lucid has received bids for the new well and is actively moving forward with its development. We incurred delays in our plans primarily driven by Covid impacts. In addition, supply chain challenges raise the possibility of delay in receiving all required equipment in a timely manner. We identified one additional producer, Marathon, in the immediate area that was not present during our initial notification period. Therefore, we reached out to Marathon proactively for their review of our Order and plans. Following their review, Marathon communicated to us that they do not have a concern with our plans (please see attached email).

Please let me know if you have any questions or need any additional information to aid in your consideration.

All the best,

Matt Eales

Matt Eales
VP of EHS&R
Lucid Energy Group

CC: Brandon Powell
Adrienne Sandoval

From: [Domangue, Eric \(MRO\)](#)
To: [Matthew Eales](#)
Cc: [Tim Magliaro](#)
Subject: RE: Lucid AGI Order
Date: Monday, December 13, 2021 4:43:52 PM

Matt,

Apologies for the delay. I have just heard back from our team that they see no reason to protest.

Eric Domangue
Gas Marketing Manager
Office: (713) 296-3447
Cell: (713) 969-8384
Email: edomangue@marathonoil.com

From: Matthew Eales <MEales@lucid-energy.com>
Sent: Monday, December 6, 2021 3:04 PM
To: Domangue, Eric (MRO) <edomangue@marathonoil.com>
Cc: Tim Magliaro <TMagliaro@lucid-energy.com>
Subject: [External] RE: Lucid AGI Order

Good afternoon Eric,

I hope this finds you doing well.

Wanted to follow-up on this request. Has your team had a chance to review our approved Order?

If you have any questions or need any clarification at all, please let me know.

All the best,
Matt
832.496.7513

From: Matthew Eales
Sent: Friday, October 29, 2021 9:18 AM
To: Eric Domangue (edomangue@marathonoil.com) <edomangue@marathonoil.com>
Cc: Tim Magliaro <TMagliaro@lucid-energy.com>
Subject: Lucid AGI Order

Eric,

It was a pleasure meeting you virtually in this morning's call. As requested, please find attached our final NMOCD Order R-20916-H for our AGI well.

Please let me know if you have any questions or need any clarification all.

All the best,
Matt
832.496.7513

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