

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

**APPLICATION OF SALT CREEK MIDSTREAM, LLC
FOR AUTHORIZATION TO INJECT,
LEA COUNTY, NEW MEXICO.**

Case No. 20780

**SALT CREEK MIDSTREAM, LLC'S
RESPONSE TO MOTION FOR CONTINUANCE**

Salt Creek Midstream, LLC ("Salt Creek") submits its response to the Motion for Continuance filed by the New Mexico State Land Office and Commissioner of Public Lands (collectively, "NMSLO"). For the reasons discussed below, the motion should be denied.

1. Salt Creek filed its Application on August 15, 2019, seeking authorization to inject treated acid gas ("TAG") from the Amerdev South Gas Processing Plant into the Salt Creek AGI #1 well. Salt Creek's Application was set for a hearing on October 16, 2019. Salt Creek notified NMSLO of the hearing by certified mail on September 16, 2019, and NMSLO received the notice on September 18, 2019. *See* Hearing Notice Letter and Certified Mail Receipt, attached as Exh. A.

2. New Mexico Oil Conservation Commission ("Commission") Rule 19.15.4.12(B) NMAC requires an applicant to provide notice of a hearing 20 days prior to the scheduled hearing date. In this case, NMSLO received notice of the hearing nearly 30 days prior to the October 16, 2019 hearing date, which exceeds the amount of time required by the Commission's rule and afforded NMSLO sufficient time to prepare for the hearing.

3. Although the New Mexico Oil Conservation Division (“Division”) has concurred in the NMSLO’s request for a continuance, the Division received Salt Creek’s Application two months prior to the hearing date and has also had sufficient time to prepare.

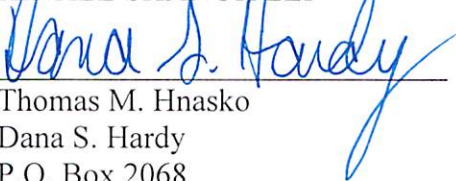
4. Salt Creek’s Application is time sensitive due to the immediate and urgent need for TAG disposal. In addition, the proposed well will protect health and the environment by allowing for the sequestration of TAG.

5. Because Salt Creek’s Application is time sensitive and the NMSLO and OCD have had sufficient time to prepare for the hearing under the Commission’s rules, the NMSLO’s request for a continuance should be denied.

For the foregoing reasons, Salt Creek requests that the Commission deny the NMSLO’s Motion for Continuance.

Respectfully submitted,

HINKLE SHANOR LLP



Thomas M. Hnasko

Dana S. Hardy

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

thnasko@hinklelawfirm.com

dhardy@hinklelawfirm.com

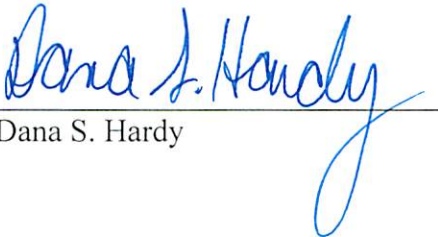
Counsel for Salt Creek Midstream, LLC

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Response to Motion for Continuance was sent to the following counsel of record by electronic mail on October 8, 2019.

Eric Ames
Assistant General Counsel
New Mexico Energy, Minerals, and Natural Resources Dept.
1220 South St. Francis Drive
Santa Fe, NM 87505
Eric.ames@state.nm.us
Counsel for New Mexico Oil Conservation Division

Andrea Antillon
Associate Counsel
New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504
aaantillon@slo.state.nm.us
*Counsel for the Commissioner of Public Lands,
New Mexico State Land Office*


Dana S. Hardy

September 16, 2019

State of New Mexico
PO Box 1148
Santa Fe, NM 87504-1148

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RE: CASE #20780: SALT CREEK MIDSTREAM, LLC PROPOSED SALT CREEK AGI #1

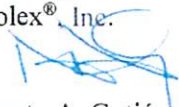
This letter is to advise you that Salt Creek Midstream, LLC (Salt Creek) filed the enclosed C-108 application on August 15, 2019, with the New Mexico Oil Conservation Commission seeking authorization to drill an Acid Gas Injection (AGI) well at their gas processing facility (the "Plant") in Lea County, New Mexico. The AGI well will be a vertical well, located at 594' FWL, 2,370' FSL in Section 21, T26S, R36E. Salt Creek plans to inject up to 8 million standard cubic feet (MMSCF) per day of treated acid gas from the Plant at a maximum pressure of 2,149 psig into the Bell Canyon and Cherry Canyon formations, approximately 5,410 feet to 7,000 feet below the surface. The proposed wells will serve as a disposal well for acid gas at this plant.

This application (Case Number 20780) has been set for hearing before the New Mexico Oil Conservation Commission at 9:00 a.m. on October 16, 2019, in Wendell Chino Building at the New Mexico Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by Salt Creek's application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the application at a later date.

A party appearing at the hearing is required by Division Rule 19.15.4.13 NMAC to file a Pre-Hearing Statement at least four days in advance of a scheduled hearing, but in no event not later than 5:00 p.m. Mountain Time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above-specified address and should include the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and an identification of any procedural matters that need to be resolved prior to the hearing.

If you have any questions concerning this application, or to obtain an entire copy of the C-108, you may contact Mr. Alberto Gutiérrez at Geolex[®], Inc.; 500 Marquette Avenue NW, Suite 1350; Albuquerque, New Mexico 87102.

Sincerely,
Geolex[®], Inc.


Alberto A. Gutiérrez, C.P.G.
President
Consultant to Salt Creek Midstream

Enclosure: C-108 Application for Authority to Inject

PA19-020 Salt Creek AGI NM-Sec. 21\Reports\C-108\NMOCC Submittal\Notice Letters\Notice Letter Template.docx

EXHIBIT
A

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to: (19020 Santa Fe)
 Santa Fe, NM 87501
 PO Box 148
 Santa Fe, NM 87501
 1118



9590 9402 2370 6249 0035 34

2. Article Number (Transfer from service label)

7016 1970 0000 8250 8439

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from Item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

SEP 18 2019

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt