

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

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

CASE NO. 23464

**OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

The New Mexico Oil Conservation Division ("OCD") submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD has intervened in this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

Salt Creek Midstream, LLC ("Salt Creek") has filed an application to request issuance an order amending Order No. R-20913-D to approve a new well design and new location for the Salt Creek Midstream AGI No. 1 Well ("Well") and extend the deadline for Salt Creek to commence injection into the Well until twenty-four (24) months from the date of the amended order. As approved, the Well is a vertical Underground Injection Control Class II 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, NMPM, Lea County, New Mexico. Salt Creek requests approval of a new well design and authorization to drill the Well at a second location of 277 feet from the West line and 2,350 feet from the South line of Section 21, Township 26 South, Range 36 East, Lea County. The target injection zone for the Well remains the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group, and the Well will have an injection interval of approximately 5,580 feet to 7,040 feet. Salt Creek

seeks approval to inject a total cumulative amount of 8 million standard cubic feet per day of TAG at a proposed maximum surface injection pressure of 2,149 pounds per square inch. The proposed well will be constructed and monitored in such a way as to address the unique physical characteristics of TAG. Salt Creek proposed only a single disposal well for consideration in this application.

OCD supports the approval of the Well subject to the inclusion of the permit conditions identified in Exhibit 1 and with the incorporation by reference of the contents of Form C-108 application submitted by Salt Creek for this case.

III. PROPOSED EVIDENCE

OCD intends to call Million Gebremichael, Petroleum Specialist Advanced, as an expert in petroleum engineering and underground injection. His testimony is expected to be twenty (20) minutes. Mr. Gebremichael is a member of the OCD's UIC Group and has experience in the review of applications for compliance with OCD's rules and the prevention of waste and the protection of correlative rights, public health and the environment. Mr. Gebremichael has more than 10 years of experience in the fields of reservoir engineering, petroleum geology, and regulatory oversight. In support of his testimony, Mr. Gebremichael will present the following exhibits:

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| Exhibit 1 | OCD's Recommended Permit Conditions of Approval |
| Exhibit 2 | Curriculum Vitae of Million Gebremichael |

IV. PROCEDURAL MATTERS

The OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

/s/ Chris Moander for Jesse Tremaine
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CERTIFICATE OF SERVICE

I certify that on May 4, 2023, I served this pleading by electronic mail on:

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