

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

**APPLICATIONS OF PERMIAN OILFIELD
PARTNERS, LLC TO APPROVE
SALT WATER DISPOSAL WELLS IN
LEA COUNTY, NEW MEXICO**

CASE NO. 23807-23808

**RESPONSE TO MRC PERMIAN COMPANY'S AND MATADOR PRODUCTION
COMPANY'S OBJECTION TO PROCEEDING BY AFFIDAVIT**

Permian Oilfield Partners, LLC (“POP”) respectfully submits this response to MRC Permian Company’s and Matador Production Company’s Notice of Objection to Proceeding by Affidavit, filed on September 29, 2023. As discussed in more detail below, the objection filed by MRC Permian Company and Matador Production Company (collectively “Matador”) is immaterial; the above captioned cases (the “Cases”) can and should be heard on the October 19, 2023 docket as noticed by the New Mexico Oil Conservation Division (the “Division” or “NMOCD”).

Matador’s objection to proceeding by affidavit is immaterial because POP’s only reason for filing these Cases was to file an application for contested hearings to resolve Matador’s objection to POP’s previously submitted administrative applications. To the extent Matador is attempting to use an objection to the cases proceeding by affidavit as a means to delay the hearings, any delay is unwarranted. When Matador submitted its July 2023 protest to POP’s administrative applications, Matador knew that a hearing would be required to resolve Matador’s concerns, absent a negotiated resolution. POP filed the Cases for the sole purpose of setting an adjudicatory hearing to resolve Matador’s concerns, Matador has known that POP intends to go to hearing, and Matador has known the basis for its protest since at least July 18. POP’s Cases were properly set for an

examiner hearing on October 19, 2023 in which Matador will have the opportunity to present its concerns to the Division at the hearings, and there is simply no reason to delay them.

I. Brief Background of POP's Administrative Applications, Matador's Protest, and Communications to Date.

Case Nos. 23807 and 23808 involve applications for two saltwater injection wells—the Belated Federal SWD Well #1 and the Overdue Federal SWD Well #1 (the “SWDs”). POP originally submitted applications to the Division seeking administrative approval for these two SWDS on July 10, 2023 and July 11, 2023. Matador objected to the administrative applications on July 18, 2023.¹ See Exhibit A, which includes Matador's email protesting the Overdue SWD, and Exhibit B, which includes Matador's email protesting the Belated SWD. In its protest emails, Matador requested that the Division advise Matador “if this case is set for hearing.” *Id.*

The Division notified POP of Matador's objections on August 18, 2023. See August 18, 2023 email from NMOCD to POP included as part of Exhibits A and B. In its notice, the Division stated that POP had two options “for the[] applications to advance in the review process...*resolution of the protest through hearing* or a negotiated resolution with the protesting party that results in the withdrawal of the protest.” (Emphasis added.) Matador was copied on the email from the Division to POP and was thus on notice that POP had two options to advance its applications—either resolve Matador's protests through negotiations or through a hearing.

POP reached out to Matador to discuss Matador's objections on August 30, 2023. See August 30, 2023 email from POP to Matador included in email chain attached as Exhibit C. While Matador has indicated an intent to have discussions with POP, Matador, to date, has not agreed to a date or time to meet with POP to discuss Matador's concerns. See, e.g., Exhibit C. Thus, from POP's perspective, Matador's emails purportedly agreeing to meet with POP fall flat.

¹ Matador objected to a total of nine applications POP filed administratively.

POP filed the hearing applications for the Cases on September 5. In its applications, POP explained that Matador protested its administrative applications and, for that reason, POP was submitting an application for a hearing before the Division. In other words, the only reason POP filed the Cases is to resolve Matador's objections through an adjudicatory hearing. Matador's protest email confirms that Matador anticipated an adjudicatory hearing being held on these applications, and the Division's response establishes that, absent a negotiated resolution, a hearing is the only way to move forward with these Cases.

POP's counsel emailed Matador copies of the applications on September 12, 2023. *See* September 12, 2023 email from POP's counsel to Matador included in an email chain attached as Exhibit D. POP's applications were originally scheduled for hearing on October 5, 2023. POP continued the Cases to October 19 to engage in further discussions with Matador, but Matador did not respond with any specific dates to meet with POP. In its emails to Matador, POP confirmed on multiple occasions its intent to go to hearing, including the intent to go to hearing on October 19. *See, e.g.,* Exhibit D—September 12, 2023 email (“It would be great if you all are able to work through things so that we don’t have to go to hearing on these applications but could instead go back to the [administrative] process.”); *id.*—September 25, 2023 email (“POP is committed to these two wells and so we are preparing to go to hearing on the 19th but hopefully we don’t have to go down that path.”). POP's counsel also reiterated POP's intent to go to hearing to Matador's counsel in recent telephone conversations.

POP's counsel and Matador had a call on September 25, at Matador's suggestion. Matador indicated its concerns with the POP SWDs relate to seismic. Matador agreed to get back with POP's counsel regarding whether Matador would be willing to engage in potential discussions with POP. Matador also suggested a combined meeting with the Division and POP. That same

day, POP agreed to that approach and suggested the week of October 9 as potential dates to meet. *See* Exhibit D. After POP did not hear back from Matador, POP's counsel emailed Matador on October 5, *id.*, and followed up with Matador's counsel on October 6, again requesting dates to meet with the Division. *See* Exhibit E. Matador still has not proposed dates to meet with the Division; instead, Matador has stated through its counsel that it is only willing to meet with the Division *after* the October 19 hearing date.

POP stands ready to meet with Matador and the Division before the October 19 hearing date. However, it is POP's position that the parties already have a "meeting" date set, which is the October 19, 2023 hearing. Thus, if a meeting cannot be scheduled before October 19, then the hearings can and should occur that date, allowing Matador the opportunity to raise its concerns and the Division can make any appropriate rulings concerning them.

II. A Contested Hearing Is Required by Division Rules and Practice to Resolve Matador's Objections

The Division's regulations governing injection wells allow an operator to submit an application administratively and authorize the Division to administratively approve such applications. *See* Rule 19.15.26.8.B & .C. Significantly, when, as here, "a written objection to an application for an administrative approval of an injection well is filed within 15 days after receipt of a complete applications...*the division shall set the application for hearing and give notice of the hearing.*" *See* Rule 19.15.26.8.D (emphasis added); *see also* Rule 19.15.4.12(E) ("In the case of an administrative application where the required notice was sent and a timely filed protest was made, *the division shall notify the applicant and protesting party in writing that the case has been set for hearing and the hearing's date, time and place.* No further notice is required." (emphasis

added)).² Rule 19.15.26.8.D thus mandates a hearing when an administrative application is protested to resolve the protest.

Both Matador's protest emails and the Division's response to Matador's protests demonstrate an understanding of this requirement. Matador asked the Division to advise Matador "if a hearing is set." See Exhibits A and B. The Division informed POP that POP either needed to reach a negotiated resolution with Matador or "resolution of the protest through hearing." *Id.* POP filed its applications pursuant to the Division's direction and stated that Matador protested its administrative applications and POP was submitting an application for a hearing before the Division. In other words, the Division's regulations and practice presume that, absent a negotiated resolution, the only way to resolve objections to administrative applications is through an adjudicatory hearing. Because a hearing is necessary to resolve Matador's objections, it goes without saying that such a hearing would be a contested hearing, *i.e.*, a hearing with live witness testimony, and not a hearing by affidavit or declaration. A hearing by affidavit is only an option when there is no opposition to an application. See Rule 19.15.4.12.A(1)(b).³

Given that a contested hearing is the presumption, and that proceeding by affidavit is not an option under these circumstances, Matador's objection to these cases proceeding by affidavit is immaterial and should either be stricken or disregarded by the Division.

III. The Hearing Set for October 19, 2023 Should Move Forward

One reason Matador may have filed its objection to the Cases proceeding by affidavit is to attempt to delay the hearings by triggering the Division's current practice of setting cases for a status conference when an objection to proceeding by affidavit has been filed. Here, however,

² While Rule 19.15.26.8.D contemplates the Division setting a contested application for hearing, Division practice has been that the applicant files the hearing application if a protest is lodged.

³ The "alternative procedure" outlined in Rule 19.15.4.12(A)(1)(b) (presenting cases by affidavit) applies to compulsory pooling applications.

there simply is no reason to trigger that practice or to delay the October 19 hearing. As discussed above, Matador's objection to proceeding by affidavit is irrelevant and so does not trigger a status conference. In addition, the October 19 hearing has been properly noticed, Matador has had ample time to prepare for the hearing, and the Cases have currently been noticed by the Division on the October 19 docket for hearing (*i.e.*, not indicated as a status conference). *See* October 19 docket, excerpt attached as Exhibit F; *see also* Rule 19.15.4.12(E) ("In the case of an administrative application where the required notice was sent and a timely filed protest was made, the division shall notify the applicant and protesting party in writing that the case has been set for hearing and the hearing's date, time and place. No further notice is required."). POP intends to proceed accordingly.

There is no reason to delay the October 19 hearings. As discussed above, since July, when Matador submitted its protests Matador knew that a hearing could be set and asked to be informed if one was. Since August, when Matador copied on the Division's email to POP, Matador was on notice from the Division that a hearing would need to be set resolve Matador's concerns, if a negotiated resolution could not be reached. POP and POP's counsel communicated to Matador POP's intention to move forward with a hearing on the Cases on multiple occasions. In addition, POP's counsel emailed Matador the SWD applications on September 12, 2023, and mailed the applications to Matador, which Matador received on October 2, 2023. Thus, notice of the hearing has been properly completed.

In addition, Matador has had ample time to prepare for the hearing. Matador has objected to POP's applications being granted since at least July 18, 2023, when it protested POP's administrative applications. POP repeatedly asked Matador to discuss Matador's concerns with POP, and Matador never stated that it needed more time to search for an evidentiary basis for its

concerns. Rather, the opposite is true—Matador has stated that it has existing information, but is unwilling to share that information with POP except in a meeting with the Division.

To the extent that Matador contends a meeting with the Division is necessary to address Matador's concerns, the October 19 hearing is a proper and appropriate forum for Matador to have its concerns addressed. Given that Matador invoked a hearing to address its concerns by protesting POP's administrative applications, Matador has a forum and a hearing date set to address those concerns, and has had ample time to prepare for the October 19 hearing. From POP's perspective, then, any request by Matador to postpone the hearing on the Cases would appear to be only an improper attempt to delay the hearings.

In sum, POP provided the notice required by the Division's regulations, the Division has noticed the Cases as set for hearing on October 19, and POP is ready to proceed to hearing on October 19. Matador has had ample notice of POP's intention to proceed to a contested hearing on October 19 and has had ample time to prepare for the hearing—to the extent Matador even needs to prepare given it has had knowledge of its concerns since at least July 18, 2023.

IV. CONCLUSION

POP has attempted, unsuccessfully, to meet with Matador and discuss Matador's concerns—even delaying the October 5 hearing to allow additional time for POP and Matador to meet. POP's repeated offers to meet with Matador at any time, and at any place, have not been reciprocated with a solid offer from Matador to meet with POP. Instead, from POP's perspective, it appears that Matador keeps delaying meeting with POP and delaying meeting with the Division. As a result, in order to timely resolve Matador's objections to POP's applications, a contested hearing is necessary and should move forward on October 19, 2023 as scheduled. POP intends to

file pre-filed direct testimony and exhibits in advance of the hearings and to present live witnesses via the Division's virtual hearing platform on October 19, 2023.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett
Earl DeBrine, Jr.
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail this 10th day of October, 2023.

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
P.O. Box 2208
Santa Fe, NM 87504
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

Attorneys for MRC Permian Company and Matador Production Company

/s/ Deana M. Bennett
Deana M. Bennett

Protested SWD Application

By Matador; received 7/18/2023



From: [Kyle Perkins](#)
To: [Engineer, OCD, EMNRD](#)
Subject: [EXTERNAL] Matador's Protest of Permian Oilfield's Proposed Overdue Federal SWD #1
Date: Tuesday, July 18, 2023 4:30:25 PM
Attachments: [image001.jpg](#)
[3260_001.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Ladies and Gentlemen,

Matador Production Company, MRC Permian Company and MRC Hat Mesa, LLC (successor to Advance Energy Partners Hat Mesa, LLC) hereby protest Permian Oilfield Partners, LLC's proposed Overdue Federal SWD #1, located in Section 5, Township 20 South, Range 34 East, Lea County, NM. A copy of the referenced application is attached for your convenience.

Please advise if this case is set for hearing.

Best regards,

Kyle Perkins
Vice President & Assistant General Counsel
Regulatory and Operational Matters

Matador Resources Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
(972) 371-5202 (office)
kperkins@matadorresources.com



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From: [Goetze, Phillip, EMNRD](#)
To: [Sean Puryear](#)
Cc: [Kyle Perkins](#); [Gebremichael, Million, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Euge, Dylan, EMNRD](#); [Moander, Chris, EMNRD](#); [Tremaine, Jesse, EMNRD](#)
Subject: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production
Date: Friday, August 18, 2023 1:13:00 PM

RE: C-108 Applications for: Belated Federal SWD #1; Beat the Punch Federal SWD #1; Tardy Federal SWD #1; Overdue Federal SWD #1; Thompson 35 Federal SWD #1; Browning 26 Federal SWD #1; and Ruger 31 Federal SWD #1.

Mr. Puryear:

The OCD was notified by Matador Production Company and MRC Permian Company that they are protesting seven C-108 applications recently submitted by Permian oilfield Partners, LLC ("Permian"). This operator has been identified as an affected person for the proposed UIC Class II wells being considered. Because of the protest, seven applications can no longer be reviewed administratively. Permian is being notified that for these applications to advance in the review process that there are two options: resolution of the protest through hearing or a negotiated resolution with the protesting party that results in the withdrawal of the protest. If the protest is withdrawn, then the application can be reviewed administratively. The applications will be retained pending a hearing or other resolution.

Applications that are subjects of this notification:

C-108 Application Well Name	OCD Appl. No.	Assigned SWD No.	Date of Protest
Belated Federal SWD #1	pMSG2319954754	SWD-2545	7/18/2023
Beat the Punch Federal SWD #1	pMSG2319953455	SWD-2544	7/18/2023
Tardy Federal SWD #1	pMSG2319956571	SWD-2546	7/18/2023
Overdue Federal SWD #1	pMSG2319959255	SWD-2548	7/18/2023
Thompson 35 Federal SWD #1	pMSG2323043390	SWD-2554	7/26/2023
Browning 26 Federal SWD #1	pMSG2323038040	SWD-2551	7/26/2023
Ruger 31 Federal SWD #1	pMSG2323040020	SWD-2552	7/26/2023

Protest contact information:

Kyle Perkins
 Vice President & Assistant General Counsel
 Regulatory and Operational Matters
 Matador Resources Company
 5400 LBJ Freeway, Suite 1500
 Dallas, TX 75240
 (972) 371-5202 (office)
kperkins@matadorresources.com

Please continue to provide OCD with information regarding the status of these applications including any resolution of protests. Please contact the UIC Group with any questions regarding this matter.
PRG

Phillip R. Goetze
UIC Group Manager
Oil Conservation Division
Energy, Minerals and Natural Resources Department
Horizon Building
8801 Horizon Blvd, Suite 260, Albuquerque, NM 87113
Direct: 505.660.8274
Email: phillip.goetze@emnrd.nm.gov



Protested SWD Application

By Matador; received 7/18/2023



From: [Kyle Perkins](#)
To: [Engineer, OCD, FMNRD](#)
Subject: [EXTERNAL] Matador's Protest of Permian Oilfield's Proposed Belated Federal SWD #1
Date: Tuesday, July 18, 2023 4:27:45 PM
Attachments: [image001.jpg](#)
[3207_001.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Ladies and Gentlemen,

Matador Production Company and MRC Delaware Resources, LLC hereby protest Permian Oilfield Partners, LLC's proposed Belated Federal SWD #1, located in Section 27, Township 19 South, Range 34 East, Lea County, NM . A copy of the referenced application is attached for your convenience.

Please advise if this case is set for hearing.

Best regards,

Kyle Perkins
Vice President & Assistant General Counsel
Regulatory and Operational Matters

Matador Resources Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
(972) 371-5202 (office)
kperkins@matadorresources.com



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Thompson 35 Federal SWD #1	pMSG2323043390	SWD-2554	7/26/2023
Browning 26 Federal SWD #1	pMSG2323038040	SWD-2551	7/26/2023
Ruger 31 Federal SWD #1	pMSG2323040020	SWD-2552	7/26/2023

Protest contact information:

Kyle Perkins
 Vice President & Assistant General Counsel
 Regulatory and Operational Matters
 Matador Resources Company
 5400 LBJ Freeway, Suite 1500
 Dallas, TX 75240
 (972) 371-5202 (office)
kperkins@matadorresources.com

Please continue to provide OCD with information regarding the status of these applications including any resolution of protests. Please contact the UIC Group with any questions regarding this matter.
PRG

Phillip R. Goetze
UIC Group Manager
Oil Conservation Division
Energy, Minerals and Natural Resources Department
Horizon Building
8801 Horizon Blvd, Suite 260, Albuquerque, NM 87113
Direct: 505.660.8274
Email: phillip.goetze@emnrd.nm.gov



District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 254716

CONDITIONS

Operator: Permian Oilfield Partners, LLC PO Box 3329 Hobbs, NM 88241	OGRID: 328259
	Action Number: 254716
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	8/21/2023

From: spuryear@popmidstream.com
Date: September 7, 2023 at 1:41:03 PM CDT
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: RE: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

Kyle,

Did you have a chance to discuss the Overdue and the Belated SWD protest's with your team? We are coming up on several hard deadlines for area operator commitments and really need to understand the path forward regarding these two well applications. We'd love to work something out with you guys and would be happy to offer you capacity in the wellbores. We did file our applications for hearing on these two wells on 09/05/23, but would prefer not to go to hearing.

Is there a time we can schedule a visit in the coming days? Looking forward to continuing the discussion.

Thanks,

Sean Puryear

Chief Executive Officer
Permian Oilfield Partners, LLC
PO Box 3329
Hobbs, NM 88241
(817) 600-8772
spuryear@popmidstream.com



From: Kyle Perkins <KPerkins@matadorresources.com>
Sent: Tuesday, September 5, 2023 1:27 PM
To: spuryear@popmidstream.com



Subject: RE: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

Mr. Puryear,

Thanks for following up. I'll circle back with the team following the holiday weekend and look for good dates to have a call. Thanks again.

From: spuryear@popmidstream.com <spuryear@popmidstream.com>

Sent: Tuesday, September 05, 2023 1:25 PM

To: Kyle Perkins <KPerkins@matadorresources.com>

Subject: RE: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

****EXTERNAL EMAIL****

Mr. Perkins,

Following up on the below discussion. **Is there a time we could visit to discuss Matadors concerns with these two permit applications?** Perhaps they could be of use to Matadors development plans in the area? Looking forward to continuing the discussion.

Thanks,

Sean Puryear

Chief Executive Officer

Permian Oilfield Partners, LLC

PO Box 3329

Hobbs, NM 88241

(817) 600-8772

spuryear@popmidstream.com

<image001.jpg>

From: spuryear@popmidstream.com <spuryear@popmidstream.com>

Sent: Wednesday, August 30, 2023 9:34 AM

To: 'Kyle Perkins' <KPerkins@matadorresources.com>

Subject: RE: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

Mr. Perkins,

We have near immediate need for capacity in T19S R34E & T20S R34E. We are attempting to have the Overdue online by April, 2024 with the Belated coming online by year end 2024. We anticipate needing more capacity going both East and West of those two locations, but do not have line of sight on it just yet.

I have requested our attorney to proceed with hearing preparation for these two wells, targeting the October 5th docket. I would be thrilled if we can work something out prior to going to hearing. I will

make myself available at your teams convenience and happy to travel to your office to sit down. Looking forward to the visit.

Thanks,

Sean Puryear

Chief Executive Officer
Permian Oilfield Partners, LLC
PO Box 3329
Hobbs, NM 88241
(817) 600-8772
spuryear@popmidstream.com
<image001.jpg>

From: Kyle Perkins <KPerkins@matadorresources.com>
Sent: Wednesday, August 30, 2023 9:26 AM
To: spuryear@popmidstream.com
Subject: RE: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

Mr. Puryear,

Thanks for reaching out. We'd be happy to discuss. Can you please let me know which of these applications POP would be planning to drill? I'll check with our team here and find a good time to discuss. Thanks.

From: spuryear@popmidstream.com <spuryear@popmidstream.com>
Sent: Wednesday, August 30, 2023 8:32 AM
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: FW: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

****EXTERNAL EMAIL****

Mr. Perkins,

I am reaching out to you in regard to the below referenced protest of POP submitted SWD applications in Lean and Eddy county, made by Matador. You are listed as the protest contact and I wanted to reach out to see if Matador is interested in discussing a path to resolution. We are interested in a few of these applications more so than the others, as we have area operators needing the capacity.

Is there a time in the coming days to jump on a call to discuss? Looking forward to the visit.

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Ruger 31 Federal SWD #1	pMSG2323040020	SWD-2552	7/26/2023

Thanks,

Sean Puryear

Chief Executive Officer
Permian Oilfield Partners, LLC
PO Box 3329
Hobbs, NM 88241
(817) 600-8772
spuryear@popmidstream.com
 <image001.jpg>

From: Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>
Sent: Friday, August 18, 2023 2:14 PM
To: Sean Puryear <spuryear@popmidstream.com>
Cc: Kyle Perkins <KPerkins@matadorresources.com>; Gebremichael, Million, EMNRD <Million.Gebremichael@emnrd.nm.gov>; Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>; Powell, Brandon, EMNRD <Brandon.Powell@emnrd.nm.gov>; Fuge, Dylan, EMNRD <Dylan.Fuge@emnrd.nm.gov>; Moander, Chris, EMNRD <Chris.Moander@emnrd.nm.gov>; Tremaine, Jesse, EMNRD <JesseK.Tremaine@emnrd.nm.gov>
Subject: Notification of Protests for Permian Oilfield Partners C-108 Applications by Matador Production

RE: C-108 Applications for: Belated Federal SWD #1; Beat the Punch Federal SWD #1; Tardy Federal SWD #1; Overdue Federal SWD #1; Thompson 35 Federal SWD #1; Browning 26 Federal SWD #1; and Ruger 31 Federal SWD #1.

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Belated Federal SWD #1	pMSG2319954754	SWD-2545	7/18/2023
Beat the Punch Federal SWD #1	pMSG2319953455	SWD-2544	7/18/2023
Tardy Federal SWD #1	pMSG2319956571	SWD-2546	7/18/2023
Overdue Federal SWD #1	pMSG2319959255	SWD-2548	7/18/2023
Thompson 35 Federal SWD #1	pMSG2323043390	SWD-2554	7/26/2023
Browning 26 Federal SWD #1	pMSG2323038040	SWD-2551	7/26/2023
Ruger 31 Federal SWD #1	pMSG2323040020	SWD-2552	7/26/2023

Protest contact information:

Kyle Perkins
 Vice President & Assistant General Counsel
 Regulatory and Operational Matters
 Matador Resources Company
 5400 LBJ Freeway, Suite 1500
 Dallas, TX 75240
 (972) 371-5202 (office)
kperkins@matadorresources.com

Please continue to provide OCD with information regarding the status of these applications including any resolution of protests. Please contact the UIC Group with any questions regarding this matter. PRG

Phillip R. Goetze
 UIC Group Manager
 Oil Conservation Division
 Energy, Minerals and Natural Resources Department
 Horizon Building
 8801 Horizon Blvd, Suite 260, Albuquerque, NM 87113
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Deana M. Bennett

From: Deana M. Bennett
Sent: Thursday, October 5, 2023 3:30 PM
To: 'Kyle Perkins'
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

Great. Thanks and much appreciated.

Deana

From: Kyle Perkins <KPerkins@matadorresources.com>
Sent: Thursday, October 5, 2023 3:21 PM
To: Deana M. Bennett <deana.bennett@modrall.com>
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

Thanks, Deana. I hope you had a nice vacation. I'll confer with Adam Rankin about the timing and structure of discussing our concerns with POP and we'll follow up soon. Thanks.

From: Deana M. Bennett <deana.bennett@modrall.com>
Sent: Thursday, October 05, 2023 3:47 PM
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

****EXTERNAL EMAIL****

Hey Kyle,

Hope you are doing well. I just got back from a nice trip to Mexico so getting back into the swing of things again. Always a challenge after some time off.

Anyway, I was wondering if you all had thought about timing for a meeting with POP?

Thanks,

Deana

From: Deana M. Bennett
Sent: Monday, September 25, 2023 3:13 PM
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

Kyle,

Thanks again for the call today. Appreciate it.

I followed up with Sean and he confirmed that POP will be operating the wells. He also confirmed that they have prepared seismicity studies. Their studies (attached) concluded that there is a zero percent probability of either of these wells inducing a seismic event. They ran the seismicity scenarios including, max injection rate of 50,000 BPD at max surface injection pressure of (belated) psi for 30 years, with water confined only to the permitted injection interval, and also of the confinement boundaries (unknown



fault connecting the injection interval to the basement rock) allowing for all water going into the basement rock. This was again run at max injection rate of 50,000 BPD at max surface injection pressure of 2935 (Overdue) & 2927 (Belated) psi for 30 years, with water injecting into the basement rock.

POP would really like to meet with Matador's technical team to discuss the seismic results. POP is also on board with meeting with the OCD as well. POP is going to be in New Mexico for NMOGA and so if the right people from Matador are going to be here or could participate in a call during NMOGA, that would be great.

As of right now the hearings on these cases are set for October 5, but I am going to be filing a motion to continue them to October 19. POP is hopeful that Matador and POP can resolve Matador's concerns, but at the same time, POP is committed to these two wells and so we are preparing to go to hearing on the 19th but hopefully we don't have to go down that path.

Thanks again and really appreciate talking this through with you.

Deana

From: Kyle Perkins <KPerkins@matadorresources.com>
Sent: Friday, September 22, 2023 3:49 PM
To: Deana M. Bennett <deana.bennett@modrall.com>
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

Great. I'll give you a call on Monday at 130 mountain / 230 central. Have a good weekend.

From: Deana M. Bennett <deana.bennett@modrall.com>
Sent: Friday, September 22, 2023 4:14 PM
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: Re: Permian Oilfield Partners SWDs (Overdue and Belated)

****EXTERNAL EMAIL****

Definitely. Monday after 1 mountain or Tuesday after 2 mountain. Either of those windows work for you?

Sent from my iPhone

On Sep 22, 2023, at 3:01 PM, Kyle Perkins <KPerkins@matadorresources.com> wrote:

Deana,

Thanks again for following up on this. Is there a good time next week you'd be free to discuss for a few minutes? Thanks.

From: Deana M. Bennett <deana.bennett@modrall.com>
Sent: Tuesday, September 12, 2023 4:04 PM
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

****EXTERNAL EMAIL****

Thanks for getting back to me. Attached are copies of the applications we filed for hearing on October 5. Permian is really interested in meeting with you all—I emailed Sean today and he said he would be available at your office any time you want! It would be great if you all are able to work through things

so that we don't have to go to hearing on these applications but could instead go back to the admin process.

Again, please let me know if I can do anything to help move this along.

Sorry not to be able to see you at NMOGA—next time!

Deana

From: Kyle Perkins <KPerkins@matadorresources.com>
Sent: Tuesday, September 12, 2023 8:37 AM
To: Deana M. Bennett <deana.bennett@modrall.com>
Subject: RE: Permian Oilfield Partners SWDs (Overdue and Belated)

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Deana,

Thanks for reaching out. We're definitely interested in further technical discussions with Permian to see if this is something that can be resolved. We're confirming availability here to get the right people in the room, then will follow up with them.

No, I won't be at NMOGA this year. I think we have some landmen going, but they apparently decided to leave the lawyers behind this year. Thanks again.

From: Deana M. Bennett <deana.bennett@modrall.com>
Sent: Monday, September 11, 2023 3:27 PM
To: Kyle Perkins <KPerkins@matadorresources.com>
Subject: Permian Oilfield Partners SWDs (Overdue and Belated)

****EXTERNAL EMAIL****

Hi Kyle,

Hope this email finds you well! I am working with Permian Oilfield Partners on their Overdue and Belated SWD applications. I understand from Sean that you and he have been exchanging emails. Let me know if there is anything I can do to assist. I know that Permian Oilfield Partners really wants to get these wells drilled and operational and so wants to work with you on any concerns Matador has. And I am happy to help any way I can.

Also, are you going to be at NMOGA this year? I am and will look for you to say hey if you are going to be here.

Deana

<[image001.jpg](#)>

Deana M. Bennett
Lawyer

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Deana M. Bennett

From: Deana M. Bennett
Sent: Friday, October 6, 2023 5:09 PM
To: 'Adam Rankin'
Cc: Paula M. Vance; Michael Feldewert
Subject: RE: POP SWDs Case Nos. 23807-2380

Adam,

I spoke with POP and they are available any time next week and the following week (before the 19th) to meet with OCD and MRC. Let's plan on calling Phil/OCD on Tuesday morning to see what their availability is. I trust you will have MRC's availability as well so that when we call OCD we can set up a date/time.

Thanks,

Deana

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Friday, October 6, 2023 2:07 PM
To: Deana M. Bennett <deana.bennett@modrall.com>
Cc: Paula M. Vance <PMVance@hollandhart.com>; Michael Feldewert <MFeldewert@hollandhart.com>
Subject: POP SWDs Case Nos. 23807-2380

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Deana,

MRC isn't able to set up a call/meeting with POP over NMOGA. Let's touch base early next week to discuss POP's plan to go forward with its hearing on 10/19. Tuesday morning is pretty open for me if you want to discuss, or the afternoon works too if you're going to be attending the NMOGA meetings that morning.



Adam Rankin

Partner

HOLLAND & HART LLP

110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501

agrarkin@hollandhart.com | T: (505) 954-7294 | M: (505) 570-0377

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DOCKET: OIL CONSERVATION DIVISION HEARINGS - Thursday, October 19, 2023

8:15 a.m.

Persons may view and participate in the hearings through the following link:
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=ma91b7035226defc3f42e40889c5e4ee0>

Webinar number:
 2491 697 6566

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24916976566@nmemnrd.webex.com
 You can also dial 173.243.2.68 and enter your webinar number

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 +1-408-418-9388 United States Toll

Access code:
 2491 697 6566

Panelist password:
 pZgE6c56yvu (79436256 from phones and video systems)

Applications for hearing shall be filed at least thirty (30) days in advance of the hearing date. A party who intends to present evidence shall file a pre-hearing statement no later than the close of business on the Thursday prior to the hearing date and serve a copy on the other parties, if any. The hearing examiner will dismiss the application if the applicant does not file and serve a pre-hearing statement as specified above.

NOTICE: The hearing examiner may call the following cases in any order in his or her discretion.

Case Number	Description
1. 23399 [Status Conference]	Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 484.40-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), SE/4 NE/4, and the E/2 SE/4 of Section 4; the E/2 E/2 of Section 9; and the E/2 E/2 of Section 16; all in Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Section 4 is an irregular section with correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Big Iron 4-16 Fed Com 104H Well, and the Big Iron 4-16 Fed Com 204H Well, both oil wells, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4-Unit A equivalent) of Section 4 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 16; and the Big Iron 4-9 Fed Com 304H Well, an oil well, to be horizontally drilled from a surface location in Lot 1 (NE/4 NE/4-Unit A equivalent) of Section 4 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 9. The proposed wells will be orthodox in their locations, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Also to be considered will be approval of the overlapping unit in the E/2 E/2 of Section 16 containing the Cimarron 16 19 34 State RN 134H Well (API No. 30-025-42352); the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 20 miles southwest of Lovington, New Mexico.
2. 23400 [Status Conference]	Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 324.62-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NE/4 equivalent), SE/4 NE/4, and the E/2 SW/4 of Section 4; and the E/2 W/2 of Section 9; all in Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.



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60.	23807	Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving disposal into the Silurian-Devonian formation through the Overdue Federal SWD Well #1 well at a surface location 602' from the North line and 298' from the East line, Unit A, Section 5, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico for the purpose of operating a produced water disposal well. Applicant seeks authority to inject produced water into the Silurian-Devonian formation at a depth of approximately 14,675 feet to 15,844 feet. Applicant further requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 18 miles west of Monument, New Mexico.
61.	23808	Application of Permian Oilfield Partners, LLC for approval of a salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving disposal into the Silurian-Devonian formation through the Belated Federal SWD Well #1 well at a surface location 637' from the South line and 208' from the East line, Unit P, Section 27, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico for the purpose of operating a produced water disposal well. Applicant seeks authority to inject produced water into the Silurian-Devonian formation at a depth of approximately 14,639 feet to 15,841 feet. Applicant further requests that the Division approve a maximum daily injection rate for the well of 50,000 bbls per day. Said area is located approximately 18 miles west of Monument, New Mexico.
62.	23814	Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Sections 33 and 34, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Dawson 34 Fed Com #203H, which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 34 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 33; and Dawson 34 Fed Com #204H, which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 34 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 33. The completed interval of the Wells will be orthodox. The completed interval of the Dawson 34 Fed Com #204H well will be located within 330' of the quarter-quarter section line separating the N/2 S/2 and S/2 S/2 of Sections 33 and 34 to allow for the creation of a standard 640-acre horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 12 miles northeast of Carlsbad, New Mexico.
63.	23309	Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 318.16-acre, more or less, horizontal spacing and proration unit comprised of the Lots 1 through 4 (W/2 W/2 equivalent) of Sections 19 and 30, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (including the Harkey), designated as an oil pool, underlying the unit. Sections 19 and 30 are irregular correction sections. The proposed well to be dedicated to the horizontal spacing unit is the Heroes 19-30 Fee Fed Com 1H Well, an oil well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 19 to a bottom hole location in Lot 4 (SW/4 SW/4, equivalent) of Section 30. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 19 miles southwest of Loving, New Mexico, and approximately 7.5 miles north of the state line.
64.	23310	Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Sections 19 and 30, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (including the Harkey) designated as an oil pool, underlying the unit. Sections 19 and 30 are irregular sections containing correction lots; however, the proposed unit does not contain lots. The proposed well to be dedicated to the horizontal spacing unit is the Heroes 19-30 Fee Fed Com 2H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 19 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 30. The