

**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 Nos. 24124 and 24125**

**MOTION TO DISMISS WITHOUT PREJUDICE PERMIAN OILFIELD PARTNERS,  
LLC'S APPLICATIONS FOR HEARINGS IN CASE NOS. 24124 & 24125**

Permian Oilfield Partners, LLC ("POP"), through its undersigned attorneys, respectfully submits to the Oil Conservation Division ("Division" or "OCD") its Motion to Dismiss POP's Applications for Hearings in Case Nos. 24124 & 24125 ("Motion"). In support of its Motion, POP provides the following:

1. On or around November 5, 2023, pursuant to 19.15.26.8B NMAC, POP submitted two C-108s seeking administrative approval of its Vital Federal SWD #1 Well ("Vital Well") and its Imperative Federal SWD #1 Well ("Imperative Well"). The C-108s submitted are referred to herein as "C-108 Administrative Applications."

2. Under the C-108 Administrative Applications, the Vital Well was proposed to be drilled into the Devonian-Silurian formation underlying Section 10-20S-33E, and the Imperative Well was proposed to be drilled into the Silurian-Devonian formation underlying Section 11-20S-33E, both in Lea County, New Mexico.

3. Within the 15-day protest period described in 19.15.26.8C(2) NMAC, the C-108 Administrative Applications received certain objections and consequently, their approval was placed on hold pursuant to Rule 19.15.26.8C(2).

4. Subsequently, through a separate application process, pursuant to 19.15.26.8D, POP filed applications to have the objections heard before the Division (“Applications for Hearings”), and based on POP’s Applications for Hearings, the Division set hearing dates in Case Nos. 24124 and 24125.

5. MRC Permian Company and Matador Production Company (collectively “MRC/Matador”) entered appearances in Case Nos. 24124 and 24125 stating they objected to the cases going forward by affidavit; in addition, Avant Operating, LLC (“Avant”) entered its appearance in Case No. 24125 stating it objected to the case going forward by affidavit.

6. After a contested hearing was set for May 2, 2024, MRC/Matador reached out to POP on March 6, 2024, in an effort to reach a resolution. POP and MRC/Matador engaged in a series of emails that culminated in finding a pathway that could likely lead to a resolution of MRC/Matador’s objection and dispute. *See Permian Oilfield Partners, LLC’s Amended Motion for a Continuance to Allow Opportunity for a Resolution to Materialize, Exhibit 1, ¶ 6* (Gary Fisher, President of POP, describing the terms that would resolve the matter).

7. POP has also engaged in negotiations with Avant, whose objections are generally aligned with MRC/Matador’s objections. Avant and POP are working to reach a mutually acceptable resolution.

8. In response to POP’s request for additional time, the Division issued “Order Amending Pre-hearing Order” dated April 18, 2024, extending the contested hearing date of Case Nos. 24124-25 to May 16, 2024.

9. Since the conditions for a resolution depend on the outcome of two other C-108 administrative applications for approval of salt water disposal wells currently under review, POP in a good faith effort to maintain the viability of a potential resolution should the May 16, 2024, date not provide sufficient time, submitted a *Motion to Request that Review of Two Pending*

*Administrative SWD Applications be Coordinated with Efforts to Resolve Case Nos. 24124 and 24125*, which was denied based on the Division not having control over its administrative approval process or its system of prioritization of applications. Order Denying Motion to Continue, dated April 30, 2024, at ¶ 7.

10. However, the Division did provide in its order that POP could dismiss its two cases while it waits for a final decision on the pending administrative SWD applications. *See id.* POP, pursuant to 19.15.26.7C, -7D, and 19.15.4.8 NMAC, filed Applications for Hearings in Case Nos. 24124 and 24125, and under OCD Rules, because the Applications for Hearings in said Cases are an adjudicatory process separate and distinct from the administrative process involving the C-108 Administrative Applications, POP respectfully submits that the Applications for Hearings in Case Nos. 24124 and 24125 can be dismissed without disturbing the viability of the underlying C-108 Administrative Applications.

11. Dismissal of the Applications for a Hearing in Case Nos. 24124 and 24125 would provide the necessary time to determine whether the conditions for a resolution among the parties can be realized, and if a resolution is reached, the dismissed Cases would not be refiled but removed from the docket so the Division would be able to avoid the wasteful expenditure of administrative resources, and under such resolution, POP would further dismiss the underlying C-108 administrative applications by filing a separate dismissal pursuant to the matter being resolved. If the conditions for a resolution cannot be met after dismissal of the Applications for Hearings, then the C-108 Administrative Applications would remain in place with the original objections, thereby allowing POP to refile applications for a hearing pursuant to Rules 19.15.26.8D and 19.15.4.8 without having to sacrifice its place in the administrative application process.

12. POP's request provided herein based on the distinction under the OCD Rules between the two separate processes, and on the guidance from the Division's previous order, would

allow the Division to accommodate the time needed to determine if a resolution can be realized in a clean and authorized manner that would not burden the Division or disrupt its administrative approval process and prioritizations.

13. Both MRC/Matador and Avant have been informed of this Motion, and they concur with the relief requested.

WHEREFORE, POP respectfully requests that the Division dismiss POP's Applications for Hearing in Case Nos. 24124 and 24125 without prejudice and in a manner that maintains the viability of the underlying C-108 Administrative Applications for the Vital and Imperative Wells such that the objections to C-108 Administrative Applications, if not resolved, would be available at a later date for a hearing. If the Division should decide that dismissing POP's Applications for Hearings in Case Nos. 24124 and 24125 would result in the concurrent dismissal of the C-108 Administrative Applications for the Vital and Imperative Wells, then POP would ask the Division to deny this Motion.

**ABADIE | SCHILL PC**

*/s/ Darin C. Savage*

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on May 6, 2024:

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