

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

**APPLICATION OF RILEY PERMIAN
OPERATING COMPANY LLC,
FOR A SALT WATER DISPOSAL WELL,
IN EDDY COUNTY, NEW MEXICO.**

CASE NOS. 24279

**APPLICATION OF RILEY PERMIAN
OPERATING COMPANY LLC,
FOR A SALT WATER DISPOSAL WELL,
IN EDDY COUNTY, NEW MEXICO.**

CASE NOS. 24280

SELF-AFFIRMED STATEMENT OF ERNEST L. PADILLA

1. I am attorney in fact and authorized representative of Riley Permian Operating Company LLC, the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above referenced applications and notice of the hearing on these applications were sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. A listing of the parties to whom notice was provided are listed as Exhibit C-107 and C-108.


4. It was discovered by Riley Permian Operating Company LLC that notice to Apache Corporation had a well within the AOR and should have been listed as an affected party.

5. Undersigned counsel submitted a copy of the application, the C-108 and notice of hearing to Apache Corporation by FedEx. Copies of the air bills and the notice letters dated July 15, 2024 and July 16, 2024 are attached hereto.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



ERNEST L. PADILLA



Date

TELEPHONE
505-988-7577

STREET ADDRESS
1512 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
MAILING ADDRESS
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523
EMAIL ADDRESS
padillalawnm@outlook.com

FACSIMILE
505-988-7592

July 15, 2024

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

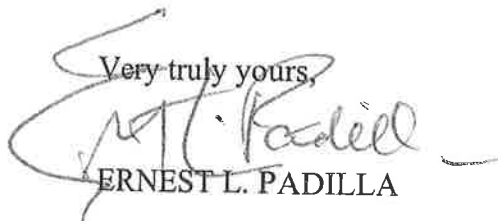
TO: APACHE CORPORATION

Re: NMOCD Case Number #24279-24280 In the Matter of the Application of Riley Permian Operating Company LLC, for a salt water disposal well in Eddy County, New Mexico.

Ladies and Gentlemen:

This letter will advise that Riley Permian Operating Company LLC has refiled an application with the New Mexico Oil Conservation Division seeking an order for salt water disposal well, in Lea County, New Mexico as referenced above. A copy of the application is enclosed. To obtain a copy of the C-108 document submitted with the application it is posted on the OCD website: OCD.Imaging@emnrd.nm.gov.

This hearing will be conducted on Tuesday, July 23, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, such that you may participate remotely or in person. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: OCD.Hearings@emnrd.nm.gov. Alternatively, you may participate at the live hearing at the Energy Minerals and Natural Resources Department located in the Wendell Chino Building at 1220 South Santa Francis Drive, Santa Fe, NM 87505. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg

cc: Riley Permian Operating Company LLC



Package Tracking Number

8092 2535 2655

1 From Please print and press hard.

Date 7/15/24 Sender's FedEx Account Number 1038-3890-8

Sender's Name ERNEST L PADILLA Phone (509) 988-7577

Company PADILLA LAW FIRM PA

Address 1512 S SAINT FRANCIS DR

City SANTA FE State NM ZIP 87505-4040 Dept./Floor/Suite/Room

2 Your Internal Billing Reference

First 24 characters will appear on invoice.

3 To

Recipient's Name Apache Corporation Phone 432 818-1000

Address 303 Veterans Airpark Suite 1000

City Midland State TX ZIP 79705

Hold Weekday (Required for Priority Overnight and FedEx First Overnight) Hold Saturday (Required for Priority Overnight and FedEx First Overnight)

Dept./Floor/Suite/Room

0120930096



MURCI

4 Express Package Service

For packages up to 150 lbs. use the FedEx Express Freight US Airbill. Packages up to 150 lbs. use the FedEx Express Freight US Airbill. 2 or 3 Business Days. FedEx First Overnight. FedEx Priority Overnight. FedEx Standard Overnight. FedEx Express Saver.

5 Packaging. Declared value limit \$500. FedEx Envelope, FedEx Pak, FedEx Box, FedEx Tube, Other.

6 Special Handling and Delivery Signature Options

Signature options: Direct Signature, Indirect Signature, No Signature Required. Signature options: Direct Signature, Indirect Signature, No Signature Required.

7 Payment Bill to

Payment options: Cash/Check, Credit Card, Bill to Recipient, Bill to Sender. Total Packages, Total Weight, Total Declared Value.

611

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TELEPHONE
505-988-7577

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505-988-7592

July 16, 2024

FEDERAL EXPRESS

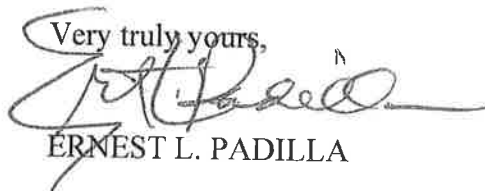
TO: APACHE CORPORATION

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Ladies and Gentlemen:

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This hearing will be conducted on Tuesday, July 23, 2024 beginning at 8:30 a.m. The hearing will be conducted in a hybrid fashion, such that you may participate remotely or in person. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: OCD.Hearings@emnrd.nm.gov. Alternatively, you may participate at the live hearing at the Energy Minerals and Natural Resources Department located in the Wendell Chino Building at 1220 South Santa Francis Drive, Santa Fe, NM 87505. Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,

ERNEST L. PADILLA

ELP:jbg

cc: Riley Permian Operating Company LLC



1 From Please print and press hard. Tracking Number 8167 5796 3720

Date 7/16/24 Sender's FedEx Account Number 2056-6444-5

Sender's Name Ernest L. Padilla Phone 505, 988-7577

Company Padilla Law Firm, P.A.

Address 1512 S. Saint Francis Dr.

City Santa Fe State NM ZIP 87505-4040

2 Your Internal Billing Reference

3 To Recipient's Name

Company Apache Corporation Phone 432 818-1000

Address 303 Veterans Airport Lane

Address Suite 100

City Midland State TX ZIP 79705

Ship it. Track it. Pay for it. All online. Go to fedex.com.

Form ID No. 0200 Sender's Copy

4 Express Package Service Packages up to 150 lbs. For packages over 150 lbs. FedEx Express Freight US Afloat.

Next Business Day, 2 or 3 Business Days, FedEx 2Day A.M., FedEx 2Day, FedEx Standard Overnight, FedEx Express Saver

5 Packaging FedEx Envelope, FedEx Pak*, FedEx Box, FedEx Tube, Other

6 Special Handling and Delivery Signature Options Saturday Delivery, Direct Signature, Indirect Signature

7 Payment Bill to: Sender, Recipient, Third Party. Total Packages, Total Weight, Total Declared Value*

644

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

**APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC
TO APPROVE THE SALT WATER DISPOSAL
WELL, IN EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24279
(ANGEL RANCH STATE SWD #1)**

SELF-AFFIRMED STATEMENT OF OLIVER SEEKINS

Oliver Seekins, of lawful age and being duly sworn, declares as follows:

1. My name is Oliver Seekins. I work for ALL Consulting as a Project Manager/Regulatory Specialist. I have been retained by Riley Permian Operating Company, LLC (“Riley Permian”) (OGRID No. 372290).

2. I have personal knowledge of the matters stated herein.

3. I have previously testified before the Oil Conservation Division (“Division”) as an expert witness in regulatory matters and permitting salt water disposal wells. My credentials as an expert in regulatory matters and permitting salt water disposal wells have been accepted by the Division and made a matter of record.

4. My area of responsibility includes the area of Eddy County in New Mexico.

5. I am familiar with Riley Permian's application in this matter and with the status of the lands in the subject area.

6. **Exhibit A** is the hearing application in Case No. 24279 that Riley Permian filed with the Division. The application includes Form C-108, attached as **Exhibit A** to the Application. In preparing for this hearing, I reviewed the C-108 filed as **Exhibit A** and did not identify any changes that require amending it or affecting the accuracy of statements in it.

7. In this case, Riley Permian seeks authorization to inject produced water into the Cisco formation through the Angel Ranch State SWD #1 well at a surface location 1,320' from the North line and 1,320' from the East line, Unit A, Section 12, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.

8. Riley Permian seeks authority to inject produced water into the Cisco formation at a depth of approximately 8,590 feet to 9,190 feet.

9. Riley Permian requests that the Division approve a maximum daily injection rate for the well of 20,000 bbls per day.

10. **Attachment 2** in **Exhibit A** includes a map identifying wells within 2 miles of the Well.

11. As noted in **Attachment 2**, four (4) wells are within a half-mile of the Well.

12. **Attachment 2** identifies the operators, lessees, mineral and surface owners within two miles of the Well.

13. I also reviewed whether any freshwater wells within a mile of the Well. I found five (5) freshwater wells within one mile of the Well, as noted in **Attachment 6** to **Exhibit A**. However, after multiple attempts to contact the water well owners, including sending a written request via certified mail, I was unable to obtain permission to sample any of the water wells.

14. I provided notice information to Riley Permian's counsel based on OCD's regulations in Rule 19.15.26.8(B), which require notice to the surface owner and each leasehold operator, and any other affected person as that term is defined in Rule 19.15.2.7(8). The notice party information is included in **Attachment 9** to **Exhibit A**.

15. It is my opinion that Riley Permian undertook a good-faith effort to locate and identify the correct parties and valid addresses required for notice.

16. In my opinion, the granting of Riley Permian's application is in the interests of conservation and the prevention of waste. The Well will provide much-needed capacity for produced water, which will, in turn, support oil and gas operators' ability to produce oil and gas.

17. The attached exhibits were prepared by me, or compiled from company business records, or were prepared at my direction.

18. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.



Oliver Seekins

7.17.2024

Date

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

**APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC
TO APPROVE SALT WATER DISPOSAL
WELL IN EDDY COUNTY, NEW MEXICO.**

CASE NO. 24279

SELF-AFFIRMED STATEMENT OF REED DAVIS

Reed Davis, of lawful age and being duly sworn, declares as follows:

1. My name is Reed Davis. I work for ALL Consulting as a Geophysicist. I have been retained by Riley Permian Operating Company, LLC (“Riley Permian”) (OGRID No. 372290).
2. I personal knowledge of the matters stated herein.
3. I have previously testified before the Oil Conservation Division (“Division”) as an expert witness in geology and geophysics and my credentials have been accepted by the Division and made a matter of record.
4. My area of responsibility includes the area of Eddy County in New Mexico.
5. I am familiar with the application Riley Permian filed in this matter and I am familiar with the status of the lands and geology in the subject area.
6. In this case, Riley Permian seeks authorization to inject produced water into the Cisco Formation through the Angel Ranch State SWD #1 well (the “Well”) into the Cisco Formation at a depth of approximately 8,590 feet to 9,190 feet.
7. Exhibits A-43 through A-51 contain a statement I prepared that includes an overview of the geology of this area, as well as information regarding the low potential for induced seismicity if Riley Permian’s application is granted.

8. Based on my geology study, I have concluded that the Cisco Formation is well suited for injection because it is bounded by both an upper confining layer and a lower confining layer, which will prevent migration of the injected fluids. The Cisco Formation consists of interbedded carbonate rocks, such as dolomites and limestones, and is overlain by approximately 67 feet of low porosity carbonate rocks within the lower Wolfcamp Formation, which would prevent the upward migration of injection fluid and serve as the upper confining layer. Additionally, approximately 24 feet of low porosity and low permeability carbonate rocks lie beneath the proposed injection interval and act as a lower confining zone by preventing downward migration of injected fluids into the underlying Strawn Formation. Attachment 1 to my Letter are geophysical logs which depict the intervals above and below the proposed injection interval.

9. In my opinion, operating the Well will not impact the correlative rights of mineral owners because the proposed injection will remain within the target injection interval due to the upper and lower confining zones. In addition the proposed injection interval is not prospective for hydrocarbons within the area of the Well.

10. I also prepared a statement regarding seismicity, which was included in the C-108, also as Attachment 8.

11. Based on my study, in my opinion, the potential for the Well to cause injection-induced seismicity is expected to be minimal because (1) the presence of confining layers above and below the injection interval, and (2) the significant vertical distance between the injection zone and Precambrian basement rock in which the nearest fault has been identified.

12. In my opinion, the granting of Riley Permian's application is in the interests of conservation and the prevention of waste.

13. The attached exhibits were prepared by me, or compiled from company business records, or were prepared at my direction.

14. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.



Reed Davis

07/17/24

Date

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

**APPLICATION OF RILEY PERMIAN OPERATING COMPANY, LLC
TO APPROVE SALT WATER DISPOSAL
WELL IN EDDY COUNTY, NEW MEXICO.**

CASE NO. 24279

SELF-AFFIRMED STATEMENT OF THOMAS E TOMASTIK

Thomas E. Tomastik, of lawful age and being duly sworn, declares as follows:

1. My name is Thomas E. Tomastik. I work for ALL Consulting as a Chief Geologist and Regulatory Specialist. I have been retained by Riley Permian Operating Company, LLC (“Riley Permian”) (OGRID No. 372290).
2. I personal knowledge of the matters stated herein.
3. I have previously testified before the Oil Conservation Division (“Division”) as an expert witness in petroleum engineering, saltwater disposal wells, groundwater, and petroleum geology and my credentials as have been accepted by the Division and made a matter of record.
4. My area of responsibility includes the area of Eddy County in New Mexico.
5. I am familiar with the application Riley Permian filed in this matter and I am familiar with the status of the lands in the subject area.
6. I undertook a hydrologic evaluation related to the proposed Angel Ranch State SWD #1 well (the “Well”), which is included as Attachment 7 to Exhibit A-40.
7. Riley Permian seeks authorization to inject produced water into the Cisco Formation at a depth of approximately 8,590 feet to 9,190 feet.

8. I examined available geologic and engineering data and found no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water (“USDW”).

9. In my opinion, there is containment through multiple confining zones in the Wolfcamp and San Andres formations above the Cisco Formation and the USDW and over 7,930 feet of vertical separation between the base of the USDW and the top of the injection interval. Additionally, there is no evidence of faults that would allow for communication between the USDW and Cisco Formation.

10. In addition, Riley Permian’s wellbore design will isolate any known freshwater zones and is protective of USDWs.

11. All of the well data and operations information required by the C-108 is included in the C-108 attached as Exhibit A-1. The proposed well design is contained in Attachment 1 and described in Section III.A.

12. In my opinion, the well design will be protective of freshwater and USDWs in the area and protective of correlative rights.

13. A water chemistry analysis is provided as Attachments 3 and 4 to Exhibit A-1. Based on this water chemistry analysis, in my opinion and based on my experience, there will not be a compatibility issue between the injection fluids and the fluids within the injection interval.

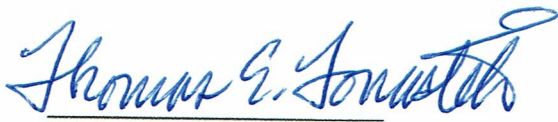
14. The estimated average surface injection pressure is expected to be approximately 1,288 psi. The maximum surface injection pressure will be 1,718 psi, based on the Division’s guideline limiting surface injection pressures to 0.2 psi per foot of depth to the top-most injection interval. The proposed injection volumes can be achieved without exceeding the maximum surface


injection pressure. Injection pressures and volumes will be continuously monitored through an electronic SCADA system.

15. In my opinion, the granting of Riley Permian's application is in the interests of conservation and the prevention of waste.

16. The attached exhibits were prepared by me, or compiled from company business records, or were prepared at my direction.

17. I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.


Thomas E. Tomastik


Date