

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

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

CASE NOS. 24279-24280

PERMIAN RESOURCES' CONSOLIDATED PRE-HEARING STATEMENT

Permian Resources Operating, LLC (“Permian Resources”) and Colgate Production, LLC (“Colgate”) (collectively “Permian Resources”) submit this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Riley Permian Operating Company, LLC

ATTORNEY

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OPPOSING PARTIES

Permian Resources Operating, LLC
 (“Permian Resources”) and Colgate
 Production, LLC (“Colgate”)

and

MRC Permian Company

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STATEMENT OF THE CASE

In **Case No. 24279**, Riley Permian Operating Company LLC (“Riley”) seeks an order authorizing approval for a salt water disposal well for its proposed Angel Ranch SWD #1, to be drilled at a location 1,320 FSL and 1,320 FEL, Unit A, Section 12, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to set a packer at 8,300 feet below the surface of the earth and then inject into the Cisco formation (Pool Code 96099) at depths between 8,586 feet through 9,210 feet open hole, as stated in the C-108, being the administrative application filing for the proposed injection well.

In **Case No. 24280**, Riley similarly seeks an order authorizing approval for a salt water disposal well for its proposed Angel Ranch SWD #2, to be drilled at a location 588 FNL and 2,157 FEL, Unit B, Section 11, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Riley proposes to set a packer at 8,100' feet below the surface of the earth and then inject into the Cisco formation (Pool Code 96099) at depths between 8,450 feet through 8,975 feet open hole, as stated in the C-108, being the administrative application filing for the proposed injection well.

Permian is a working interest owner with active development in the area of the proposed injection. It opposes approving Riley’s proposed injection because there is faulting in the immediate area, including within the target injection zone, has created communication pathways

between the injection zone in the Cisco formation and the overlying Third Bone Spring interval that is a prospective oil and gas target for offsetting drilling and development. The lack of an intact barrier that can prevent injected produced water from entering the Third Bone Spring as the Cisco is pressured up through injection will Third Bone Spring interval to be watered out the over time, causing waste and impairing Permian Resource’s correlative rights.

Riley’s applications must be denied to prevent waste and protect correlative rights.

DISPUTED FACTS

- Whether injection into the proposed SWDs will be contained within the target injection zone;
- Whether injection into the proposed SWDs will water out the overlying Third Bone Spring interval that is currently being developed and produced by Permian Resources, violating the Oil and Gas Act’s statutory mandate to prevent watering out of productive zones;
- Whether the proposed injection will cause waste and impair correlative rights; and
- Whether the proposed injection is otherwise approvable under the Division’s Underground Injection Control program requirements.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Chris Cantin, Senior Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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CERTIFICATE OF SERVICE

I hereby certify that on July 16, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
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QUESTIONS

Action 364646

QUESTIONS

Operator: Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 364646
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>