

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

**APPLICATION OF FOUNDATION ENERGY
MANAGEMENT, LLC FOR APPROVAL OF
A SALW WATER DISPOSAL WELL, LEA
COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Foundation Energy Management, LLC ("Foundation") (OGRID 370740), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978 § 70-2-12(B)(15), for an order authorizing injection of produced saltwater for purposes of disposal. In support of this application, Foundation states:

1. Attached is a complete Form C-108 application for authorization to inject which contains all the information necessary to authorize the requested approval to inject and filed with the Division for administrative approval on August 7, 2019. *See* C-108, attached as **Exhibit A**, and incorporated herein.
2. Foundation proposes to convert the Blue Quail Federal #1 Well (API No. 30-025-33222) to a saltwater disposal well. The Well is located 660 from the south line and 1,980 feet from the east line (Unit O), Section 7, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.
3. The proposed injection disposal interval will be within the Bell Canyon Formation between 4,640 feet subsurface and 4,850 feet subsurface through perforated completion.
4. Disposal fluid will be produced saltwater from oil and gas wells in the area operated by Foundation Energy Management, LLC, only, producing from the Sand Dunes, Delaware, East, Bone Spring, Diamondtail and Southwest Formations.
5. The estimated average surface injection pressure is expected to be approximately 600 psi. The maximum surface injection pressure is expected to be approximately 928 psi.
6. The granting of this application will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
7. The administrative application has been protested. Accordingly, Foundation hereby requests its application be set for hearing pursuant to 19.15.26.8(E) NMAC.

WHEREFORE, Foundation Energy Management, LLC requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 12, 2020, and after notice and hearing as required by law, the Division enter an order approving this application.

Respectfully Submitted,

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**ATTORNEYS FOR FOUNDATION
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CASE _____: Application of Foundation Energy Management, LLC for Approval of a Salt Water Disposal Well, Lea County, New Mexico. Applicant in the above-styled cause seeks an order authorizing it to recomplete and operate an injection well for the purpose of disposing produced salt water into the **Blue Quail Federal No. 1 Well** (API No. 30-025-33222), which is located 660 feet from the south line and 1,980 feet from the east line (Unit O), Section 7, Township 23 South, Range 32 East NMPM, Lea County, New Mexico. Injection will be into the Bell Canyon Formation between 4,640 feet and 4,850 feet subsurface through an open-hole completion. Disposal fluid will be produced water from Applicant's Wells only. The maximum injection pressure will be 928 psi. The subject well is located approximately 30 miles southwest of Eunice, N.M.