

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

**APPLICATION OF SALT CREEK MIDSTREAM, LLC
TO AMEND ORDER NO. R-20913-D**

CASE NO. 23294

**SALT CREEK MIDSTREAM, LLC'S EMERGENCY MOTION FOR TEMPORARY
STAY OF DECEMBER 28, 2022 INJECTION DEADLINE
AND FOR EXPEDITED HEARING**

In accordance with NMAC 19.15.4.23 and NMAC 19.15.4.16, Salt Creek Midstream, LLC (“Salt Creek”) submits the following Emergency Motion for Temporary Stay of December 28, 2022 Injection Deadline and for Expedited Hearing (“Motion”). For the reasons discussed below, Salt Creek requests that: (1) the Director of the New Mexico Oil Conservation Division (“OCD”) issue a temporary stay of the December 28, 2022 injection deadline contained in Order No. R-20913-D to prevent waste, protect human health and the environment, and prevent gross negative consequences to affected parties; and (2) the New Mexico Oil Conservation Commission (“Commission”) set Salt Creek’s application for hearing on the earliest date available.

1. On December 12, 2022, Salt Creek filed an application to amend Order No. R-20913-D to extend the deadline to commence injection into Salt Creek’s AGI No. 1 Well (API 30-25-46746) (“Well”) due to unanticipated technical complications. Order No. R-20913-D currently requires Salt Creek to commence injection into the Well by December 28, 2022.

2. Salt Creek’s application has been set for a hearing before the Commission on April 13, 2023. However, postponing a decision on Salt Creek’s application until April 2023 will negatively impact Salt Creek, which needs assurance regarding the status of the injection permit to proceed with its significant investment in completion of the Well. Uncertainty regarding the

status of the injection permit also negatively impacts operators in the area who are proceeding with development plans based on the expected completion of the Well.

3. To alleviate this uncertainty regarding the status of Salt Creek's injection authority, Salt Creek requests that the OCD Director grant a temporary stay of the December 28, 2022 injection deadline contained in Order No. R-20913-D pursuant to NMAC 19.15.4.23 ("The director may grant a stay pursuant to a motion for stay upon the director's own initiative, after according parties who have appeared in the case notice and an opportunity to respond, if the stay is necessary to prevent waste, protect correlative rights, protect public health or the environment or prevent gross negative consequences to an affected party."); *see also* NMAC 19.15.4.16 ("If the case is pending before the commission, the director shall rule on a motion[.]")

4. Here, an emergency stay of the injection deadline is necessary to prevent waste, protect the human health and the environment, and prevent gross negative consequences to Salt Creek and other area operators. Salt Creek has invested significant labor and capital resources into the Well and will continue to incur significant expense to complete the Well. A temporary stay of the injection deadline will provide certainty to Salt Creek that its continued investment in the Well will not be futile, thereby avoiding gross negative consequences to Salt Creek.

5. Additionally, other area operators are relying on completion of the Well to dispose of acid gas resulting from their oil and gas operations and, as such, are affected parties. If Salt Creek's permit to operate the Well expires, these area operators will not be able to utilize the Well as anticipated, which may result in flaring, creating unnecessary waste and harming human health and the environment. If the other area operators are deprived of a location to dispose of acid gas, they will also suffer gross negative consequences because they will incur additional expenses, and

the efficient recovery of oil and gas will be impacted leading to wasted resources, harm to the environment and human health, and economic hardship.

6. Pending the Commission's issuance of a final order on Salt Creek's application, it is appropriate for the OCD Director to issue an order staying the December 28, 2022 injection deadline set forth in Order No. R-20913-D. The proposed stay is necessary and appropriate to protect Salt Creek's significant investment in the Well; enable effective disposal of acid gas from other area operators; avoid gross negative consequences to all interested parties; and protect human health and the environment. A proposed order granting the temporary stay is attached as Exhibit A.

7. For these same reasons, Salt Creek respectfully requests that the Commission set an expedited hearing on Salt Creek's application requesting an extension of the injection deadline. As discussed herein, the uncertainty engendered by the current injection deadline of December 28, 2022, and the setting of an April 2023 hearing on Salt Creek's application to extend its deadline for injection, creates significant uncertainty and hardship for Salt Creek and other area operators relying on the completion of Salt Creek's AGI Well for their development plans.

8. Because Salt Creek's authority to operate the Well – and in turn continue the Well's completion – will be uncertain from December 28, 2022 to April 2023, an emergency hearing is justified to confirm the ability to complete and operate the Well. Accordingly, Salt Creek respectfully requests that the Commission set an emergency hearing on its application as soon as practicable.

9. Counsel for OCD was contacted regarding this Motion and does not take a position on the relief requested at this time.

Respectfully submitted,
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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Application was sent to the following counsel by electronic mail on December 23, 2022.

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**ORDER GRANTING SALT CREEK MIDSTREAM, LLC'S EMERGENCY MOTION
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This matter, having come before the Director of the New Mexico Oil Conservation Division under NMAC 19.15.4.23 and NMAC 19.15.4.16, the Director finds it is reasonable and appropriate to issue a temporary stay of the December 28, 2022 injection deadline contained in Order No. R-20913-D to prevent waste, protect human health and the environment, and prevent gross negative consequences to affected parties pending the New Mexico Oil Conservation Commission's issuance of a final order on Salt Creek's Application to Amend Order No. R-20913-D to extend its deadline to commence injection.

SO ORDERED.

Adrienne Sandoval
Director, New Mexico Oil Conservation Division

Date: _____

Exhibit A