

**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

**PERMIAN OILFIELD PARTNERS, LLC'S AMENDED MOTION
FOR A CONTINUANCE TO ALLOW OPPORTUNITY
FOR A RESOLUTION TO MATERIALIZE**

Permian Oilfield Partners, LLC ("POP"), through its undersigned attorneys, respectfully requests the Oil Conservation Division ("Division" or "OCD") to grant a continuance in the above-referenced cases and submits its Amended Motion for a Continuance to Allow Opportunity for a Resolution to Materialize ("Amended Motion") in support of this request. After a contested hearing date was set for May 2, 2024, parties engaged in productive negotiations and arrived at a feasible agreement that, if some additional time can be provided to determine if it can be realized, may resolve the dispute, and allow for the dismissal of these two cases. Realizing the resolution would require some coordination in timing, as the agreement is contingent upon determining whether two other administrative applications, currently filed and under review, for salt water disposal wells are approved so they could supplant and replace the two applications in the above-referenced cases. In support of its Amended Motion, POP provides the following background and relevant information:

1. POP filed its application in Case No. 24124 for its Vital Federal SWD Well #1 ("Vital Well") located in Section 10, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on December 21, 2023, and filed its application in Case No. 24125 for its Imperative

Federal SWD Well #1 (“Imperative Well”) located in Section 11, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, on or about the same date.

2. MRC Permian Company and Matador Production Company (collectively “MRC/Matador”), along with Avant Operating, LLC (“Avant”), objected to the applications.

3. After the Status Conference held on February 1, 2024, a date was set for having a contested hearing on May 2, 2024.

4. As part of its overall plan to bring salt water disposal options to the subject area, POP also filed an administrative application on February 28, 2024, for approval of its Outskirts Federal SWD #1 Well (“Outskirts Well”) located in Section 22, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, and filed an administrative application on March 15, 2024, for approval of its Fringe Federal SWD #1 Well (“Fringe Well”) located in Section 12, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

5. After a contested hearing date for the above-referenced cases had been firmly 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 series of emails that culminated in finding a pathway that could likely lead to a resolution of the MRC/Matador objection and dispute. *See* Exhibit 1, Self-Affirmed Statement of Gary Fisher, attached hereto; *see also* Exhibit 2, example of email exchange during negotiations.

6. As part of the negotiation process, POP reviewed its plans for providing water disposal services to the general area of the Subject Lands and determined that if it received administrative approval for its Outskirts Well and its Fringe Well, POP would then be in a position to be able to dismiss the contested applications for the Vital and Imperative wells in Case Nos. 24124 and 24125, as the Outskirts and Fringe SWD wells would provide workable substitutions.

7. POP respectfully requests from the Division the opportunity to see if this resolution will materialize by allowing additional time to determine whether the administrative applications of the Outskirts and Fringe wells will be approved, at which time, if they are, then POP would be able to resolve the Vital and Imperative well cases. In accordance with this request, POP moves the Division to continue the May 2, 2024, hearing date for Case Nos. 24124 and 24125 in a manner and to a date that would allow time for a decision on the Outskirts and Fringe well administrative applications that could provide the conditions that would allow POP to request a dismissal of Case Nos. 24124 and 24125. In addition, POP asks that the current Pre-hearing Order (“PHO”) be vacated to allow for the requested continuance.

8. The setting of the hearing date was useful for prompting substantive negotiations and a feasible opportunity for resolution, thereby achieving a desired outcome; POP asks for some flexibility to see if the product of the Parties’ negotiations can come to fruition. If POP requested a dismissal of Case Nos. 24124 and 24125 prior to a decision on the Outskirts and Fringe SWD applications, and these administrative applications were not approved, then POP would be left with nothing and would not be able to provide water disposal services to the area as planned.

9. MRC/Matador and Avant have been informed of this Amended Motion and neither object. MRC/Matador is the party directly involved in the negotiations, and both MRC/Matador and Avant concur in the Amended Motion and support the request for a continuance.

WHEREFORE, POP respectfully requests that the Division allow time and opportunity for the parties to work to realize the proposed outcome of their negotiations, as described herein, by continuing the above-referenced cases to July 25, 2024, for a status conference, and vacating the PHO to allow for this request.

Respectfully submitted,

ABADIE | SCHILL PC

/s/ Darin C. Savage

Darin C. Savage

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Attorneys for Permian Oilfield Partners, LLC

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 April 17, 2024:

Michael H. Feldewert – mfeldewert@hollandhart.com
Adam G. Rankin – agrankin@hollandhart.com
Paula M. Vance – pmvance@hollandhart.com

***Attorneys for MRC Permian Company and Matador
Production Company***

Dana S. Hardy – dhardy@hinklelawfirm.com
Jaclyn M. McLean – jmclean@hinklelawfim.com

Attorneys for Avant Operating, LLC

/s/ Darin C. Savage

Darin C. Savage

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SELF-AFFIRMED STATEMENT OF GARY FISHER

I state the following under penalty of perjury:

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
2. I am employed as the President of Permian Oilfield Partners, LLC ("POP"). I am familiar with the subject applications and the negotiations referred to in POP's Amended Motion For a Continuance to Allow Opportunity for a Resolution to Materialize ("Amended Motion").
3. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert witness and my credentials have been made a matter of record.
4. POP is a midstream company formed in 2018 by a management team with extensive experience in developing and managing produced water infrastructure in the Permian Basin. POP has drilled and completed 9 Class II disposal wells in the Permian Basin.
5. On or about March 13, 2024, I received an email from our counsel stating that Matador's counsel sent a copy of the Outskirts SWD application along with an email asking that if the Outskirts application received approval, would POP dismiss their Vital and Imperative applications (Cases 24124 and 24125) that are pending and set for hearing on May 2, 2024. This email, attached to POP's Motion as Exhibit 2, initiated negotiations between the parties' which were mediated by emails between counsel for POP and Matador, along with my phone calls to our counsel discussing the matter.

6. During the negotiations, I instructed our counsel to inform Matador's counsel that POP would dismiss its Imperative and Vital SWD applications/hearings if the Outskirts and Fringe applications were approved.

7. Our counsel informed us that MRC was willing to pursue the terms of this agreement as it had been represented to them in order to try to resolve the dispute and remove the Vital and Imperative cases from the Division's docket, but since the resolution is dependent on the outcome of two other applications, a continuance would be needed to allow for additional time.

8. I instructed our counsel to draft a motion for continuance so POP could pursue the possibility of resolving the dispute concerning Cases 24124 and 24125 and try to get them removed from the OCD's docket. I have reviewed the Amended Motion and I concur that its contents and assertions are accurate.

Signature page of Self-Affirmed Statement of Gary Fisher:

I understand that this Self-Affirmed Statement will be used in Cases 24124 and 24125 as an Exhibit to Permian Oilfield Partners, LLC's Amended Motion For a Continuance to Allow Opportunity for a Resolution to Materialize and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.


Name

4/17/2024
Date Signed

From: Darin Savage <darin@abadieschill.com>
Subject: Fwd: POP - Cases 24124 - 24125
Date: March 8, 2024 at 4:49:01 PM MST
To: Sean Puryear <spuryear@popmidstream.com>,
"gfisher@popmidstream.com" <gfisher@popmidstream.com>
Cc: Andrew Schill <andrew@abadieschill.com>, Bill Zimsky
<bill@abadieschill.com>

Sean and Gary,

See below the email that Adam from H&H sent with the attached document.

As you can see, they are asking if the attached document might assist in resolving the current dispute.

Let us know if we can be of any assistance.

Have a good weekend,

Darin



DARIN SAVAGE | Attorney

Abadie | Schill P.C.

Exhibit 2

214 McKenzie Street, Santa Fe, New Mexico 87501

P | 970.385.4401 :: F | 970.385.4901 :: C | 970.764.8191

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Begin forwarded message:

From: Adam Rankin <AGRankin@hollandhart.com>
Subject: POP - Cases 24124 - 24125
Date: March 6, 2024 at 1:25:29 PM MST
To: Darin Savage <darin@abadieschill.com>
Cc: Bill Zimsky <bill@abadieschill.com>, Andrew Schill <andrew@abadieschill.com>

Darin,

Can you confirm with POP that if the attached Outskirts SWD application is approved they will dismiss their Vital and Imperative applications now pending (set for hearing in May)?



Adam Rankin

Partner

HOLLAND & HART LLP

110 North Guadalupe Street, Suite 1, Santa Fe, NM 87501

agrarkin@hollandhart.com | **T:** (505) 954-7294 | **M:** (505)

570-0377

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