

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

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

CASE NO. 21145

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Foundation Energy Management, LLC (“Foundation”) as required by the Oil Conservation District.

APPEARANCES

APPLICANT

Foundation Energy Management, LLC

APPLICANT’S ATTORNEY

Mani, Little & Wortmann, PLLC

OPPONENTS

Devon Energy Production Company, LP

New Mexico Oil Conservation Division

OPPONENT’S ATTORNEY

Holland & Hart, LLP

Eric Ames

APPLICANT’S STATEMENT OF THE CASE

Foundation seeks authorization to inject produced water for purposes of disposal through the existing Blue Qual Federal No. 001 Well (API No. 30-025-33222). A Form C-108 was filed with the Division in July of 2019 and notice of the administrative application was provided to all affected parties. The administrative application was protested by Devon Energy Production Company, LP (“Devon”) in August of 2019, and the New Mexico Oil Conservation Division entered an Entry of Appearance in this case in March of 2020. Accordingly, Foundation filed an application for a hearing before a Division examiner.

The proposed disposal well 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. The proposed injection interval will be the Bell Canyon Formation between 4,640 feet and 4,850 feet through a perforated completion. The estimated volume is an average of 750 BWPD with a maximum surface pressure of 928 psi.

POTENTIAL EVIDENCE

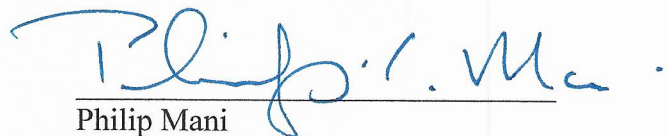
WITNESSES Name and Expertise	ESTIMATED TIME IF NECESSARY	EXHIBITS
Lee Garvie, Landman	Approx. 5 mins.	2
Tyler Pansa, Geologist	Approx. 15 mins.	7
Adam Johnson, Engineer	Approx. 15 mins.	7

PROCEDURAL MATTERS

Devon has indicated their protest is based upon their belief that injection into the proposed interval will impact their ability to drill and access their deeper reserves. The Division has not identified any particular basis for its objection. NGL Water Solutions Permian, LLC has notified the applicant of its intent to withdraw its Entry of Appearance. Accordingly, Foundation anticipates presenting its C-108 application and notice materials to the Examiner at the hearing with the need for witnesses.

Respectfully Submitted

Mani Little & Wortmann, PLLC



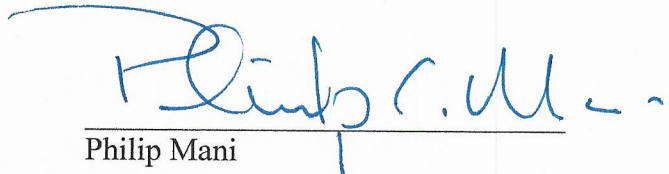
Philip Mani
Mani Little & Wortmann, PLLC
300 Throckmorton Street, Suite 530
Fort Worth, Texas 76102
(817) 382-0900
pmani@mlwenergyllaw.com

CERTIFICATE OF SERVICE

I hereby certify that on this 21 day of May, 2020, a copy of the foregoing Entry of Withdrawal of Protest was served via email upon the following:

HOLLAND & HART LLP
Michael H. Feldewert
mfeldewert@hollandhart.com
Adam G. Rankin
agrarkin@hollandhart.com
Julia Broggi
jbroggi@hollandhart.com
Kaitlyn A. Luck
kaluck@hollandhart.com

New Mexico Oil Conservation Division
Eric Ames
eric.ames@state.nm.us



Philip Mani