

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

APPLICATION OF	§	
KEY ENERGY SERVICES, LLC	§	
FOR A SALTWATER DISPOSAL WELL,	§	
KNOWN AS THE QUEEN LAKE FEDERAL	§	
19 NO. 1, SECTION 19, T-24-S, R-29-E,	§	
EDDY COUNTY, NEW MEXICO	§	CASE NO. 20583

**KEY ENERGY SERVICES, LLC's
PRE-HEARING STATEMENT**

The applicant, Key Energy Services, LLC ("Key Energy") submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules and regulations of the New Mexico Oil Conservation Division.

APPEARANCES

APPLICANT

KEY ENERGY SERVICES, LLC

ATTORNEY

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OBJECTING PARTY

NGL WATER SOLUTIONS
PERMIAN, LLC

ATTORNEY

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Law Firm of Modrall Sperling
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APPLICANT'S STATEMENT OF THE CASE

In Case No. 20583, Key Energy seeks an order approving disposal of saltwater into the Devonian Formation through the Queen Lake Federal 19 No. 1 Well (API No. 30-015-24292) at a surface location of 1,950 feet from the North line and 1,980 feet from the East line of Section 19, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Key Energy seeks the authority to sidetrack the well and convert it to a commercial saltwater disposal well, for disposal

of saltwater into the Devonian at a depth of 14,500' to 16,000'. Key Energy further seeks approval of the use of 13-3/8" surface casing with cement circulated to surface, 9-5/8" intermediate casing with cement circulated to surface, 7" production casing with top of cement at 4,412 feet, 5" injection liner with top of cement at 10,700 feet, and 4-1/2 x 2-7/8" tubing, and requests that the Division approve a maximum daily injection rate for the well of 15,000 barrels per day. Said well is located approximately 19 miles southeast of Carlsbad, New Mexico.

NGL Water Solutions Permian, LLC submitted a protest of Key Energy's permit application by email to the Oil Conservation Division dated April 17, 2019. NGL did not state the basis for the protest.

APPLICANT'S PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

Mr. Rene Aqueron
Project Manager
Fluid Management Services
Key Energy Services, LLC
Operations

Approx. 20 minutes

Estimated 5

Mr. Michael G. Eide
Managing Partner and Senior Geologist
Weegar-Edie & Associates, LLC
Geology

Approx. 30 minutes

Estimated 5 - 8

Mr. William M. Johnson
Founding Partner/Technical Manager
Strata Technologies, LLC
Engineering

Approx. 30 minutes

Estimated 5

PROCEDURAL MATTERS

As of the date of this filing, Key Energy is unaware of an appearance filed by another entity or person in the above-referenced case. NGL Water Solutions Permian, LLC is designated as an objecting party due to its protest of Key Energy's permit application. NGL's protest was emailed to the Oil Conservation Division on April 17, 2019. NGL did not state the basis for its protest. Key Energy reserves the right to challenge the standing of an entity or person who files a timely appearance in the above-referenced case.

Respectfully submitted,

**RASH, CHAPMAN, SCHREIBER,
LEAVERTON & MORRISON, LLP**

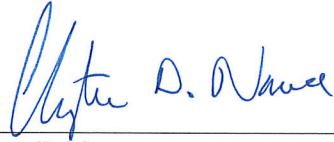
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By: _____



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**Attorneys for Applicant,
Key Energy Services, LLC**

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement of Key Energy Services, LLC was served on the person below, via Fed Ex overnight mail, and electronic mail, on this 2nd day of July 2019:

Deana M. Bennett

Law Firm of Modrall Sperling

P.O. Box 2168

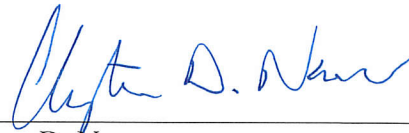
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Counsel for NGL Water Solutions

Permian LLC



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