

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

**APPLICATION OF OVERFLOW ENERGY, LLC FOR
APPROVAL OF A SALT WATER DISPOSAL WELL,
EDDY COUNTY, NEW MEXICO**

CASE NO. 20964

**NGL WATER SOLUTIONS PERMIAN LLC'S STATEMENT
REGARDING CASE NO. 20964**

NGL Water Solutions Permian LLC (NGL) submits this Statement for the above-referenced case pursuant to the Division's deadline for submitting findings of fact and conclusions of law after the December 18, 2020 hearing. In this case, Overflow Energy, LLC (Overflow) seeks to have its application for the Rita salt water disposal (SWD) well approved. NGL objected to this case when it went to hearing in December 2019. NGL continues to object to the granting of Overflow's application.

NGL also notes that the Division, in response to an application NGL submitted that proposes a salt water disposal well near the City of Carlsbad, required NGL to coordinate with the City of Carlsbad as a precondition for Division review of the application. *See* Case No. 20140 Hearing Transcript at 12-13 attached as Exhibit A (stating that the "Division is under order and agreement with the governor to provide the City of [Carlsbad] any application for any type of well, to be submitted to them for their review"). Given Overflow's proposed Rita well is also located near the City of Carlsbad, Overflow should be subject to the same requirements.

Respectfully Submitted,

MODRALL, SPERLING, ROEHL, HARRIS
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on January 19, 2021.

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF NGL WATER SOLUTIONS CASE NO. 20140
PERMIAN, LLC FOR APPROVAL OF A
SALTWATER DISPOSAL WELL IN LEA
COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 16, 2019

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
 LEONARD LOWE, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner; Leonard Lowe, Technical Examiner; and David K. Brooks, Legal Examiner, on Thursday, May 16, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

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APPEARANCES

FOR APPLICANT NGL WATER SOLUTIONS PERMIAN, LLC:

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INDEX

PAGE

Case Number 20140 Called 3

NGL Water Solutions Permian, LLC's Case-in-Chief:

Witnesses:

Neel L. Duncan:

Direct Examination by Ms. Bennett 4
Statements by Examiner Goetze 12

Statement by Ms. Antillon of the State Land Office 15

Proceedings Conclude 17

Certificate of Court Reporter 18

EXHIBITS OFFERED AND ADMITTED

NGL Water Solutions Permian, LLC Exhibit
Numbers 1 through 5 11

1 MR. BROOKS: No questions.

2 EXAMINER GOETZE: Mr. Lowe?

3 EXAMINER LOWE: No questions.

4 EXAMINER GOETZE: Okay. At this point we
5 do have a deficiency in this case.

6 MS. BENNETT: Okay.

7 EXAMINER GOETZE: In your review of the
8 underground sources of drinking water --

9 MS. BENNETT: Uh-huh.

10 EXAMINER GOETZE: -- you first say that the
11 Rustler is eroded, not present, and then we say it's
12 protected, so that right off is an issue. The Rustler
13 is present here.

14 The other thing is, in 2003, we did an
15 extensive report, the City of Carlsbad, for their
16 Airport well field, which is just north and adjacent to
17 your area. In 2004, Chi Operating lost a well and had a
18 blowout in town requiring 1,500 citizens to be
19 evacuated. And with that, the Division is under order
20 and agreement with the governor to provide the City of
21 Albuquerque any application for any type of well, to be
22 submitted to them for their review.

23 EXAMINER BROOKS: Albuquerque or --

24 EXAMINER GOETZE: I mean - excuse me.
25 Carlsbad. He knows where it is.

1 But the name of the gentleman is Richard
2 Aguilar. I can give you that. He's on the City of
3 Carlsbad Environmental Services website, and I'll also
4 given him a heads-up.

5 MS. BENNETT: Okay.

6 EXAMINER GOETZE: And the reason we're
7 asking this is pretty blatant, because there are only
8 three fields that provide water and you folks are
9 drilling into something which both has the potential for
10 loss of control, as what happened with Chi, as well as
11 maybe having an impact because these folks are running a
12 turbinate surface and this is part of their water
13 system. So I would ask you to provide Mr. Aguilar a
14 full C-108 --

15 MS. BENNETT: Certainly.

16 EXAMINER GOETZE: -- and then we'll go from
17 there and see what their comments are. I'd ask that
18 there be a written response. My understanding right now
19 is that Wood is their consultant.

20 I would also ask for you to attempt to get
21 a water sample from the Office of the State Engineer,
22 point of diversion, C-3445. It is possibly cost
23 gradient and the closest well that the State Engineer
24 has on record. I ask you to make an attempt to get a
25 water sample such that you can -- and just make record