

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

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

CASE NO. 16446

**APPLICATION OF SALT CREEK MIDSTREAM, LLC FOR AUTHORIZATION TO
INJECT ACID GAS INTO THE PROPOSED LEAVENWORTH AGI NO. 1 WELL IN
SECTION 23, TOWNSHIP 26 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW
MEXICO**

MOTION FOR CONTINUANCE

The Commissioner of Public Lands and the New Mexico State Land Office, through its undersigned counsel, respectfully moves the Oil Conservation Commission (OCC), pursuant to New Mexico Administrative Code (NMAC) 19.15.4.13(C) for a Motion for Continuance in this matter.

On September 4, 2018, Salt Creek Midstream, LLC (the Applicant) filed an application with the OCC seeking authorization to inject acid gas into its proposed Leavenworth AGI No. 1 well in Section 23, Township 26 South, Range 36 East, Lea County, New Mexico. The State Land Office is the surface and mineral owner of Section 23, Township 26 South, Range 36 East, Lea County, New Mexico.

1. The State Land Office should have received notice of the Application.

As the surface and mineral owner of the site where the Applicant proposes to drill a well and inject acid gas, the State Land Office should have received notice of the application. Under 19.15.4.12(A)(8) NMAC, Notice Requirements, the applicant is required to give notice to, "surface owners within one-half mile of the site..." for

the surface disposal of fluids. Additionally, Form C-108 Application for Authorization to Inject, Part XIV Proof of Notice, states, "All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location."

According to the application, Lonquist & Co., LLC prepared form C-108 on behalf of the Applicant. In Section 6.0 Identification and Required Notification of Affected Parties within the Area of Review of the Application dated August 20, 2018, the application specifically states, "Lonquist has reviewed the land status and operators within one mile of the proposed well location... There are 6 potentially impacted parties with details provided in Appendix B." However, nowhere in the application submitted to the OCC is the State Land Office listed as an impacted party entitled to notice. Nor did the State Land Office ever receive the required notice.

The State Land Office did not receive notice of this Application in accordance with 19.15.4 NMAC and therefore should be entitled to a continuance of this hearing.

2. The State Land Office requires additional time to prepare its case.

Acid gas injection is a matter of great importance to the Commissioner of Public Lands and the State Land Office. The State Land Office is opposed to acid gas injection on state trust land and will be objecting to this Application. In the meantime, the State Land Office requests additional time to prepare its case in order to properly inform the OCC regarding protection of waste, correlative rights, groundwater and public health and the environment.


3. The State Land Office is entitled to a continuance of the hearing.

The Applicant failed to properly notify the State Land Office of its application and in accordance with 19.15.4.10(D) NMAC, "a party shall be entitled to a continuance of any hearing if it did not receive notice of the hearing at least three business days prior to the date for filing a timely appearance as 19.15.4 NMAC provides." In this case, the State Land Office did not receive notice by the Applicant of its application and this case. The State Land Office is filing this motion for continuance within the time required by 19.15.4.13(C). Therefore, in accordance with 19.15.4.10(D) NMAC, the SLO is entitled to a continuance of this hearing.

CONCLUSION

For the aforementioned reasons, the State Land Office respectfully requests that this Motion for Continuance be approved and the hearing be rescheduled for April 2019 in order to enable the State Land Office to consult with the requisite experts and thoroughly and properly evaluate the potential impacts of this action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Andrea Antillon', is written over a horizontal line.

Andrea Antillon
Associate Counsel,
New Mexico State Land Office
PO Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504
(505) 827-5752
(505) 827-4262 fax
aantillon@slo.state.nm.us

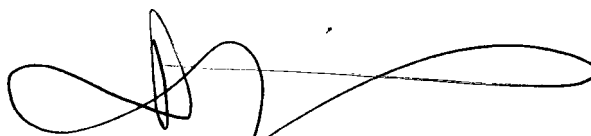
**ATTORNEY FOR THE COMMISSIONER OF
PUBLIC LANDS, NEW MEXICO STATE LAND
OFFICE**

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of January, 2019, a copy of the foregoing Entry of Appearance and Notice of Intervention was served via email upon the following:

Adam G. Rankin
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
agrarkin@hollandart.com
Attorney for Salt Creek Midstream, LLC

David K. Brooks, Assistant General Counsel
Keith Herrmann, Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Davidk.brooks@state.nm.us
Keith.herrmann@state.nm.us
Attorneys for the Oil Conservation Division

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

Andrea Antillon