

Protested SWD Application

By Scout Energy Management, LLC
Received 7/17/2026

From: [Sandoval, Stacy, EMNRD](#)
To: ["dwhite@geolex.com"](#); ["Mikey.Pham@scoutep.com"](#)
Cc: [Goetze, Phillip, EMNRD](#); [Harris, Anthony, EMNRD](#); [Doug, Delilah, EMNRD](#); [Chavez, Carl, EMNRD](#); [Cordero, Gilbert, EMNRD](#); [Wrinkle, Justin, EMNRD](#)
Subject: Willis 35-24-37 No.1, Unit J, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico SWD Notice of Protest
Date: Monday, July 20, 2026 11:46:00 AM
Attachments: [image001.png](#)

Greetings Mr. White,

On July 17, 2026, Scout Energy Management, LLC notified the New Mexico Oil Conservation Division ("OCD") that it is protesting the following SWD application of BC&D Operating, Inc.:

- Willis 35-24-37 No. 1, Unit J, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico

Scout Energy Management, LLC is identified as an affected person for the referenced application. For the application to proceed, BC&D Operating, Inc. has two options: either resolve the matter with the protesting party or go to hearing before the Division. If the protest is withdrawn, then the application could be processed administratively. Meanwhile, OCD will retain your application until a resolution is reached on the status of the submittal. If you have any questions, please don't hesitate to reach out to the UIC group.

Thank you,

Stacy Sandoval

Petroleum Specialist

Stacy.Sandoval@emnrd.nm.gov



From: [Mikey Pham](#)
To: [Engineer, OCD, EMNRD](#); [AdminComp, OCD, EMNRD](#); [Hearings, OCD, EMNRD](#)
Cc: [Turner Hardwick](#); [Stewart Park](#)
Subject: [EXTERNAL] Formal Protest of Application to Drill Saltwater Disposal Well – BC&D Operating, Inc. – Willis 35-24-37 #1
Date: Friday, July 17, 2026 10:06:17 AM
Attachments: [image001.png](#)
[Protest for BC&D - APD for SWD.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

NMOCD,

Please find attached Scout Energy Management LLC's formal protest regarding BC&D Operating, Inc.'s Application to Drill a Saltwater Disposal Well (Willis 35-24-37 #1), located in Section 35, Township 24 South, Range 37 East, in Lea County, New Mexico. Scout Energy Management LLC is an affected person as defined under 19.15.2.7 NMAC and requests that the application not be approved administratively and that the matter be set for a formal hearing before a Division Examiner for further review.

Please confirm receipt of this protest and ensure Scout Energy Management LLC is included on all future correspondence, notices, filings, and hearing-related information associated with this application.

If this correspondence has been directed to the incorrect department or individual, please forward it to the appropriate NMOCD staff member for review and processing.

Please let me know if any additional information is required.

Thanks,

Mikey Pham
Regulatory Analyst

Mobile: 469.485.3122
13800 Montfort Drive
Dallas, TX 75240
scoutep.com



July 17, 2026



NEW MEXICO OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE, NM 87505

RE: PROTEST OF APPLICATION FOR SALTWATER DISPOSAL WELL

APPLICANT: BC&D OPERATING, INC.

WELL: WILLIS 35-24-37 #1

LOCATION: Section 35, Township 24 South, Range 37 East, Lea County, New Mexico

To Whom It May Concern,

Please accept this letter as the formal protest of Scout Energy Management LLC regarding the above-referenced Application to Drill a Saltwater Disposal Well submitted by BC&D Operating Inc.

Scout Energy Management, LLC is an affected person pursuant to 19.15.2.7 NMAC. Scout is the operator of offsetting producing wells and the owner of oil and gas leasehold interest in the vicinity of the proposed disposal well. Because Scout actively operates producing wells and hold leasehold interest in the affected area, approval of the proposed saltwater disposal well has the potential to directly impact Scout's operations, production, well integrity, reservoir performance, and correlative rights.

Scout Energy objects to the application for the following reasons:

1. Potential Pressure Communication

The proposed disposal well may create pressure communication between the proposed injection interval and nearby producing reservoirs. Given the proximity of Scout's producing wells, the application does not demonstrate that injected fluid and pressure will remain confined to the proposed disposal interval.

2. Potential Pressure Plume Impacts

The application proposes injection rates of up to 15,000 barrels of water per day. Scout is concerned that the projected pressure plume and long-term reservoir pressure response associated with sustained injection at these volumes have not been adequately evaluated to demonstrate that nearby producing wells and offset operations will not be adversely affected.



972.277.1397 | www.scoutep.com

13800 Montfort Drive
Dallas, Texas 75240

Confidential

3. Potential Impacts on Existing Operations

The proposed disposal well may adversely impact existing production, reservoir performance, well integrity, future development opportunities, and operating cost associated with Scout's offsetting wells. The application does not evaluate these potential impacts.

4. Proximity to Active Producing Wells

Scout's nearest producing well is located approximately 0.04 miles from the proposed disposal well. Additionally, there are twenty-one active producing wells within a half-mile radius of the proposed location. Given the density of active production surrounding the proposed disposal wells, Scout believes the application should go through an additional technical review before any approval is considered.

Based on these conflicting operation interests, Scout Energy request that the Oil Conservation deny administrative approval of this Application to Drill a Saltwater Disposal Well and instead set the matter for a formal hearing before a Division Examiner so that the technical and operational issues may be fully evaluated.

Scout further requests that it be included on the official service list for this matter and be served with copies of all future correspondence, amendments, notices, filings, and hearing information related to this application.

Thanks,



Mikey Pham
Regulatory Analyst
(469) 485-3122
mikey.pham@scoutep.com



972.277.1397 | www.scoutep.com

13800 Montfort Drive
Dallas, Texas 75240

Confidential

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 607480

CONDITIONS

Operator: NEW MEXICO ENERGY MINERALS & NATURAL RESOURCE 1220 S St Francis Dr Santa Fe , NM 87504	OGRID: 264235
	Action Number: 607480
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
stacy.sandoval	None	7/23/2026