Protested SWD Application

By Cimarex Energy Co. on 12/2/19

Lamkin, Baylen, EMNRD

From: Lamkin, Baylen, EMNRD

Sent: Tuesday, December 3, 2019 4:45 PM

To: 'nalleman@all-llc.com'

Cc: Goetze, Phillip, EMNRD; Rose-Coss, Dylan H, EMNRD; 'edebrine@modrall.com'

Subject: Notification of Protest for Application to Inject: Jerrah 3 Fed SWD #1 _ Cimarex Energy Co.

Attachments: Select Energy Services, LLC_Jerrah 3 Fed SWD #1_Cimarex Energy Co Protest.pdf

RE: Jerrah 3 Fed SWD #1 (API 30-25-Pending; Admin. Appl. No pBL1933034223) Unit C S29 T23S R32E, NMPM, Lea County

Mr. Alleman,

The OCD was notified by Cimarex Energy Co. that they are protesting this application. This party has been identified as an affected person for the location being considered. Because of the protest, the application can no longer be reviewed administratively. You are being notified that for this application to be considered, Select Energy Services, LLC currently has two options; the first is to go to hearing, the second is to negotiate a resolution with the protesting party. If the protest is withdrawn, then the application can be reviewed administratively. In the meantime, the application will be retained pending a hearing or other resolution. Please continue to provide OCD with information regarding the standing of this application and feel free to call me with any questions.

Contact for Cimarex Energy Co.:

Earl E. Debrine, Jr. 505.848.1810 Fax: 505.848.9710

edebrine@modrall.com

Regards,

Baylen Lamkin

Petroleum Specialist
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

(505) 476-3477



Earl E. DeBrine, Jr. 505.848.1800

Fax: 505.848.1891 edebrine@modrall.com



November 26, 2019

Via E-mail & U.S. Mail

Phillip.Goetze@state.nm.us

Phillip Goetze
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Application of Select Energy Services

Jerrah 3 Fed SWD #1 Class 11D injection well

T23S R32E, S29 Unit C, NMPM, Lea County, New Mexico.

Dear Mr. Goetze:

Cimarex Energy Co. ("Cimarex"), by and through its counsel, hereby protests the above-referenced Administration Application to Inject filed by Select Energy Services ("Select"). Select seeks to dispose of up to 40,000 BPD of fluids into the Devonian, Fusselman formations at a depth of 16,948 feet to 18,318 feet.

Cimarex is an "affected person" under Rule 19.15.26.7(A) which was provided noticed of the application.

Cimarex believes that the location of the proposed well will impair or impede the development of its oil and gas resources by limiting the location of Cimarex's wells and surface facilities such that granting the Application will cause waste and impair its correlative rights.

Additionally, the Application is incomplete in that it lacks the following information required by Division Rules, policies and form C-108:

1. The Application does not identify the sources of the proposed injection water and there is no analysis of compatibility of the proposed injection with the receiving formation;

Modrall Sperling Roehl Harris & Sisk P.A.

Bank of America Centre 500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

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Tel: 505.848.1800 www.modrall.com Phillip Goetz Oil Conservation Division November 26, 2019 Page 2

- 2. Although the Application implies that disposal will be into zones not productive of oil or gas, no analysis of present or future productivity is provided;
- 3. The application does not include any geologic data on the injection zone with appropriate lithologic detail to assess the potential for the migration of fluids nor does it provide any affirmation that the well be tested for mechanical integrity or monitoring conducted to determine if the well may be contributing to seismic activity.

Cimarex hereby requests that the application be set for hearing in accordance with Rule 19.15.26.8(D) and, after appropriate notice and hearing, be denied.

Please contact me if you have any questions.

Sincerely

Earl E. DeBrine, Jr.

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cc: Dillon Rose-Coss (<u>DylanH.Rose-Coss@state.nm.us</u>)

Dylan C. Park, Cimarex Energy Co.

Dan Arthur, ALL Consulting