

Davidson, Florene, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Monday, April 10, 2017 9:51 AM
To: McMillan, Michael, EMNRD
Cc: Davidson, Florene, EMNRD
Subject: FW: Case No. 15676: Dakota Trigg Federal SWD Application

One more continuance for your docket. PRG

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From: Michael Feldewert [<mailto:MFeldewert@hollandhart.com>]
Sent: Monday, April 10, 2017 9:39 AM
To: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>
Cc: Jordan L. Kessler <JLKessler@hollandhart.com>
Subject: Case No. 15676: Dakota Trigg Federal SWD Application

Gentlemen: We are continuing this case to the April 27th docket to address the issues noted below. Dakota Resources appreciates the benefit of your pre-hearing review in the uncontested case.

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From: Goetze, Phillip, EMNRD [<mailto:Phillip.Goetze@state.nm.us>]
Sent: Friday, April 07, 2017 10:37 AM
To: Jordan L. Kessler; Michael Feldewert
Cc: Jones, William V, EMNRD
Subject: Case No. 15676: C-108 with Application

Counsels:

I have been assigned this case since the scheduled examiner denied the administrative application to re-new the SWD order. As of the date of this e-mail correspondence, no other parties have filed for an appearance or in opposition to the application. As part of my preparation to hear the case, I have conducted a cursory review of the C-108 that was attached to the hearing application. This review has the following issues:

1. **AOR Wells:** my search using the OCD ArcView database shows six qualifying wells within the ½-mile radius. The Devon well is at 0.51 miles from the referenced well and is used in a later discussion point.

	API WELL #	Well Name	Well #	Operator Name	Type	Stat	Cc
T21N, R28E	30-015-28713	FENTON 7 FEDERAL	003	BEPCO, LP	O	P	E
	30-015-27973	FENTON 7 FEDERAL	001	BOPCO, L.P.	O	A	E
	30-015-25006	TRIGG FEDERAL	001	DAKOTA RESOURCES INC (I)	S	A	E
	30-015-24707	BIG EDDY FEDERAL	098	DAKOTA RESOURCES INC (I)	O	A	E
T21N, R27E	30-015-25288	FEDERAL 12	001	J M HUBER CORP	O	P	E
	30-015-25346	GOVERNMENT D	010	CHESAPEAKE OPERATING, INC.	S	P	E
	30-015-25315	GOVERNMENT D	006	CHEVRON U S A INC	O	A	E
	30-015-41135	LONE TREE DRAW 13 STATE COM	005	DEVON ENERGY PRODUCTION COMPANY, LP	O	A	E

2. **Discussion of hydrology:** the application notes that a potential source of drinking water is the “Quaterarmy” alluvium. Though accurate to the occurrence of protectable waters in the shallow alluvial, I am not aware of this unit, the “Quaterarmy”, as being accepted under the North American Stratigraphic Code. Additionally, the application fails to note the Capitan aquifer which is at depth and directly above the injection interval.
3. **Affirmation statement:** since Mr. Morphew has introduced a new chronostratigraphic unit and did not identified a recognized USDW, the qualification to make the statement would tend to be questionable.
4. **Notification:** the Lone Tree is at the limit of the AOR radius, but the well and corresponding acreage/project area is held by Devon and is within the ½-mile radius for notification. I do not see Devon in the list of notified parties and the lease map fails to show this affected person.
5. **Water analysis of produced water:** a representative sample analyzed for general chemistry would be recommended.
6. **Discussion on correlative rights:** the initial review of this application and subsequent denied for administrative approval was due to the injection interval sharing the same stratum with current production in the Fenton, Delaware, NM pool. Not having gone in the specific correlations, does the actual injection interval share the same stratigraphy as the producing zones? If so, then this typically would be an ER project. The Devon well is Brushy Canyon production and separated from the disposal interval. If Devon were to protest, how would Dakota respond – limited disposal (current rates) to their Fenton wells? Something for your client to consider.

If the C-108 submitted with the application is to be the final document for this effort, I can assure your client that it will be found to be severely deficient and the case would be dismissed. Unless a new C-108 application is to be presented at hearing, you might want to discuss this information with your client and decide whether an appearance on April 14th would be beneficial. PRG

Phillip Goetze, PG

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