

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

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

NOV 09 2018 PM04:33

CASE NO. 16261

DELAWARE ENERGY LLC'S MOTION FOR CONTINUANCE

Pursuant to Rule 19.15.4.13(C) NMAC, Applicant Delaware Energy, LLC files this motion for continuance. In support, Delaware states as follows:

1. After receiving State Land Office approval for staking Delaware's location for its proposed Kodiak SWD well,¹ counsel for Delaware was contacted by the attorney for the State Land Office on Wednesday, November 8, 2018, stating that the Commissioner had new concerns about the location of the Kodiak SWD.

2. After conferring with counsel for the State Land Office, counsel for Delaware learned that the State Land Office would not approve a salt water disposal well easement at that approved staking location because the Commissioner preferred a location a short distance to the north. Counsel for the State Land Office confirmed that the Commissioner did not oppose the other three salt water disposal wells now pending (Case Nos. 16258-16260).

3. Counsel for the State Land Office agreed to continue Case No. 16261, so Delaware and the State Land Office could identify a new injection well location.

4. On November 8, 2018, undersigned counsel obtained Delaware's agreement to seek a continuance in this case until after the Commissioner agrees to a new well location.

¹ See attached, **Exhibit A** (approving staking location for Kodiak SWD #1 well, among others).

5. On November 9, 2018, counsel for Delaware approached the other opponents to Delaware's application to request consent to continue Case No. 16261.

6. Counsel for Foundation Minerals, LLC, Mavros Minerals LLC, and Oak Valley Mineral and Land, L.P (collectively "Foundation Minerals") does not oppose a continuance.

7. Counsel for the State Land Office does not oppose a continuance.

8. Counsel for 3Bear was not able to reach her clients and so Delaware presumes that 3Bear opposes a continuance.

9. Counsel for Mr. and Mrs. Davis and Ms. Ogden oppose a continuance.

WHEREFORE, Delaware respectfully requests a continuance in Case No. 16261 until a regularly scheduled hearing date in 2019.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert, Esq.

Jordan L. Kessler, Esq.

Adam Rankin, Esq.

Julia Broggi, Esq.

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

jlkessler@hollandhart.com

agrarkin@hollandhart.com

jbroggi@hollandhart.com

**ATTORNEYS FOR DELAWARE ENERGY,
LLC**

CERTIFICATE OF SERVICE

I hereby certify that on November 9, 2018 I served a copy of the foregoing document to
all counsel of record via Electronic Mail to:

Seth C. McMillan
PO Box 2307
Santa Fe NM 87504-2307
505-982-3873
smcmillan@montand.com

Foundation Minerals, LLC
Mavros Minerals, LLC
Oak Valley Mineral and Land, L.P.

Marion J. Craig III, Esq.
Marion J. Craig III Attorney at Law,
LLC
P.O. Box 1436
Roswell, New Mexico 88202-1436
(575) 622-1106
Jimmy@craiglawllc.com

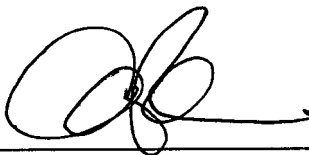
Jim & Barbara Davis
Alisa Ogden

Candace Callahan, Esq.
Beatty & Wozniak, P.C.
500 Don Gaspar Avenue
Santa Fe, New Mexico 87505
(505) 983-8545
(800) 886-6566
ccallahan@bwenergylaw.com

3Bear Delaware Operating – NM, LLC

Katherine M. Moss
New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148
katherinem@slo.state.nm.us

New Mexico State Land Office



Adam G. Rankin

July 24, 2018

Ogden Farms & Cattle Co.
151 W. Ogden Road
Loving, NM 88256

Re: Staking Notification
Section 5, Township 24 South, Range 27 East
Eddy County, New Mexico

To Whom it May Concern,

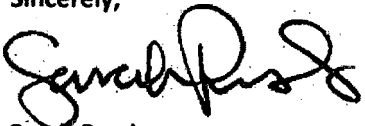
Delaware Energy LLC will be staking a well on New Mexico State Trust Lands where you are a grazing lessee. The staking will occur the week of August 6, 2018. No dirt work of any kind will be conducted at that time.

- Kodiak SWD #1
South East Quarter (SE/4) of the South West Quarter (SW/4)
Sec. 5-T24S-R27E
Eddy Co., NM

Also enclosed for your records, is the permission to stake these wells granted by the New Mexico State Land Office on July 20, 2018.

Please do not hesitate to contact me with any questions or concerns regarding this matter. Thank you.

Sincerely,



Sarah Presley
Operations Manager
s.presley@delawareenergy.com
432-269-3789



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

July 20, 2018

Delaware Energy LLC
405 N. Marienfeld, Suite 250
Midland, TX 79701

Attn: Ms. Sarah Presley

Re: Notice of Intent to Conduct Land Survey

Dear Ms. Presley:

We are in receipt of your written request for permission to enter state trust lands to complete a cadastral survey.

It has been determined that the area you have applied for contains state trust land; therefore, you are hereby granted permission to enter said trust lands only for the purpose of conducting a cadastral survey. Entry onto State Trust Lands for any other purposes including but not limited to Archeological or Biological assessments (surveys) require separate permissions. If the survey is not completed within 6 months of the date of this letter, another request for permission to conduct a land survey must be submitted to our office.

The New Mexico State Land Office requires you to notify any surface lessees prior to entering the subject portion of state trust land.

THE GRANTING OF THIS AUTHORIZATION DOES NOT ALLOW ACCESS ON PRIVATE LAND. PERMISSION TO CONDUCT A CADASTRAL SURVEY HAS BEEN GRANTED ONLY FOR STATE TRUST LAND IN THE FOLLOWING LEGAL DESCRIPTION(S):

See Attached

If you have any questions, or if we may be of further assistance, please do not hesitate to contact Nick Jaramillo of my staff at (505) 827-5773 or njaramillo@slo.state.nm.us.

Sincerely,

A handwritten signature in dark ink, appearing to read "Clyde A. Ward".

Clyde A. Ward
Assistant Commissioner
Rights of Way Division

CAW/naj

EXHIBIT "A"

Attached to and made a part of that certain Permission to Survey New Mexico State Trust Lands, dated July 19, 2018.

Location 1: Cristo SWD #1

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SW/4SW/4 of Section 25, T26S-R32E, Lea County, NM.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.007105°, -103.635288°
- General location – On the southeast corner of the intersection of Quay Valley Lane and Battle Axe Road in the SW/4 of Section 25, T26S-R32E.
- Legal Description: The SW/4SW/4 of Section 25, T26S-R32E, Lea County, New Mexico.

Location 2: Dantes SWD #1

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the NE/4NE/4 and SE/4NE/4 of Section 16, T25S-R32E, Lea County, NM.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.131700°, -103.671775°
- General location – Approximately 485' ft west of the intersection of Orla Road and Cotton Draw Road in the NE/4 of Section 16, T25S-R32E.
- Legal Description: The NE/4NE/4 and SE/4NE/4 of Section 16, T25S-R32E, Lea County, New Mexico.

Location 3: Roadrunner #1 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SE/4NE/4 and NE/4SE/4 of Section 24, T24S-R27E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.201708°, -104.136111°
- General location – The corner of a lease road and Roadrunner Road 774 in the NE/4 of Section 24, T24S-R27E.
- Legal Description: The NE/4SE/4 of Section 24, T24S-R27E, Eddy County, New Mexico.

Location 4: Roadrunner #2 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SE/4NW/4, NW/4NE/4 and SW/4NE/4 of Section 36, T24S-R27E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.176202°, -104.144176°
- General location – Adjacent to a circled segment of Roadrunner Road 774 in the NE/4 of Section 36, T24S-R27E.
- Legal Description: The SE/4NW/4, NW/4NE/4 and SW/4NE/4 of Section 36, T24S-R27E, Eddy County, New Mexico.

Location 5: Roadrunner #3 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the NW/4SW/4 and NE/4SW/4 of Section 2, T25S-R27E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.158382°, -104.166067°
- General location – On the east side of Roadrunner Road 774 in the SW/4 of Section 2, T25S-R27E, southeast of EOG's Muzzy 2 State Com #1 well (API #30-015-36840).
- Legal Description: The NW/4SW/4 and NE/4SW/4 of Section 2, T25S-R27E, Eddy County, New Mexico.

Location 6: Roadrunner #4 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SW/4NE/4 and SE/4NW/4 of Section 10, T25S-R27E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.143745°, -104.181489°
- General location – On the west side of Roadrunner Road 774 in the NE/4 of Section 10, T25S-R27E, approximately 2800' due east of EOG's cancelled APD location for the Padron BGM State Com #2H well (API #30-015-42209).
- Legal Description: The SW/4NE/4 and SE/4NW/4 of Section 10, T25S-R27E, Eddy County, New Mexico.

Location 7: Roadrunner #5 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SE/4NE/4 and NE/4SE/4 of Section 16, T25S-R27E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.130204°, -104.188106°
- General location – On the east side of Roadrunner Road 774 in the NE/4 of Section 16, T25S-R27E, approximately 2000' north of Chevron's Hayhurst 16 State #1 well (API #30-015-35114).
- Legal Description: The SE/4NE/4 and NE/4SE/4 of Section 16, T25S-R27E, Eddy County, New Mexico.

Location 8: White City #1 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the NW/4NE/4 and NE/4NE/4 of Section 10, T26S-R28E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.061782°, -104.070848°
- General location – At the intersection of Whites City Road and the Pecos Highway 285.
- Legal Description: The NW/4NE/4 and NE/4NE/4 of Section 10, T26S-R28E, Eddy County, New Mexico.

Location 9: White City #2 SWD

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SE/4SE/4 and SW/4SE/4 of Section 2, T26S-R27E.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.065864°, -104.156156°
- General location – Approximately 3700' ft east of the intersection of Willhoit Ranch Road and Whites City Road.
- Legal Description: The SE/4SE/4 and SW/4SE/4 of Section 2, T26S-R27E, Eddy County, New Mexico.

Location 10: Grizzly SWD #1

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the NW/4SW/4 and SE/4SE/4 of Section 11, T24S-R27E, Eddy County, NM.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.225045°, -104.156211°
- General location – Approximately 4.1 miles east of the intersection of Old Cavern Rural Highway and Black River Village Road.
- Legal Description: The SE/4SE/4 and SW/4SW/4 of Section 11, T24S-R27E, Eddy County, New Mexico.

Location 11: Kodiak SWD #1

- Proposed Project-To survey for a 400' X 600' pad, and stake a saltwater disposal well located in the SW/4SW/4 of Section 5, T24S-R27E, Eddy County, NM.
- Date of proposed Survey – July 23rd, 2018.
- Lat/Longs: 32.239417°, -104.213600°
- General location – In the SW/4 of Section 5, T24S-R27E at the intersection of a lease road and Black River Village Road.
- Legal Description: The SW/4SW/4 of Section 5, T24S-R27E, Eddy County, New Mexico.