

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

**APPLICATION OF DELAWARE ENERGY LLC
TO REVOKE THE INJECTION AUTHORITY
GRANTED UNDER SWD-1680 FOR THE
ALPHA SWD NO. 1 WELL OPERATED BY
ALPHA SWD OPERATING LLC,
EDDY COUNTY, NEW MEXICO.**

**Case No. 15855
ORDER No. R-14484-C**

ORDER ON MOTION FOR STAY

THIS MATTER came before the New Mexico Oil Conservation Commission (“Commission”) on the Motion to Stay Injection Authority Granted Under SWD-1680 (“Motion”) filed by Delaware Energy LLC (“Delaware”) on August 13, 2018, and the Response in Opposition to the Motion filed by Alpha SWD Operating, LLC (“Alpha”) on August 17, 2018. The Commission, having considered the filings and having heard oral argument on the Motion on August 20, 2018 in Santa Fe, New Mexico, enters the following findings and order.

THE COMMISSION FINDS THAT:

1. On August 20, 2018, the Commission issued Order No. R-14484-B, which overturned Division Order No. R-14484-A and reinstated Division Order SWD-1680. SWD-1680 permits Alpha to construct and operate an injection well. Delaware, which claims that SWD-1680 was improperly issued, seeks a stay pending an appeal of Order No. R-14484-B.

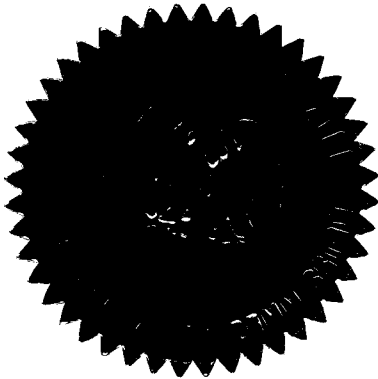
2. The Commission’s adjudicatory rules of procedure, 19.15.4.23(B) NMAC, authorize the granting of a stay: “if the stay is necessary to prevent waste, protect correlative rights, protect public health or the environment or prevent gross negative consequences to an affected party.”

3. Delaware argues that it will suffer gross negative consequences if Alpha is allowed to drill an injection well under Order SWD-1680. Delaware had applied for an injection well permit near the site of the proposed Alpha injection well prior to Alpha’s application. Delaware argues that the Division will not now approve another injection well in close proximity to the site of the proposed Alpha well.

4. The Commission finds that a stay pending any judicial appeal of Order No. R-14484-B is necessary to prevent gross negative consequences to Delaware.

IT IS THEREFORE ORDERED THAT Order No R-14484-B is stayed for a period of 60 days. If an appeal of Order No. R-14484-B is filed in the District Court of Santa Fe County, the stay will be extended for the pendency of the appeal before the District Court.

DONE at Santa Fe, New Mexico, this 29th day of August, 2018.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A handwritten signature in black ink, appearing to read "Heather Riley". The signature is written in a cursive, flowing style.

HEATHER RILEY, Chair