

**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**

APR 17 2018 PM02:49

**Case No. 15855 (de novo)  
Order No. R-14484-A**

**SUPPLEMENT TO MOTION FOR JUDGMENT BASED ON THE DIVISION RECORD**

Pursuant to the Commission's request, Delaware Energy LLC ("Delaware Energy") submits this supplemental filing to its motion for judgment on the Division record and without the necessity of a hearing. In further support of its motion, Delaware Energy states:

1. In Order R-14484-A, rescinding the administrative approval of Alpha's proposed disposal well, the Division ruled solely on the legal basis that Order SWD-1680 was issued prior to the expiration of the 15-day waiting period required by NMAC 19.15.26.8(C). *See* Order R-14484-A at p. 3, ¶¶ (11)-(17).

2. In support of this legal conclusion, the Division determined from Division records, undisputed by the parties, that Alpha filed a Form C-108 application under the provisions of Division Rule 19.15.26.8 NMAC which was entered into the administrative application database by the Division on June 12, 2017 as administrative application No. pMAM1716358339. *See* Administrative Application Checklist (noting date logged in as "6-12-2017"), attached as Exhibit 1; *see also* Order R-14484-A, ¶ (13).

3. After receiving Alpha's application, the Division notified Alpha that the application "will not be placed into the administrative review process" because additional "information is required." *See* Email from M. McMillan to C. Weyand, dated June 12, 2017, attached as Exhibit 2; *see also* Order R-14484-A, ¶ (13).

4. Mr. Weyand, on behalf of Alpha, provided the additional information requested by the Division on June 19, 2017. *See* Return receipt for Surface Owner, Return Receipt for operator of Record, Affidavit of Publication, and Signed Geologist Statement (dated June 19, 2017), attached as Exhibit 3. The Division received these materials on that same day. *See* Division C-108 Review Checklist (reflecting “add request” received “6/19/2017”), attached as Exhibit 4; *see also* Order R-14484-A, ¶ (14).

5. Division Rule 19.15.26.8(C)(2) NMAC provides that “the division shall not approve an application for administrative approval until 15 days following the division’s receipt of form C-108 complete with all attachments including evidence of mailing as required under Paragraph (2) of Subsection B of 19.15.26.8 NMAC and proof of publication as required by Paragraph (1) of Subsection C of 19.15.26.8 NMAC. (emphasis added); *See* Order R-14484-A, ¶ (15).

6. As the Division ruled, “Having received the required documentation for a properly completed Form C-108 on June 19, 2017, the Division could not have approved an administrative order until the fifteenth day after June 19, which is July 4, 2017.” *see also* Order R-14484-A, ¶ (16).

7. The Division, however, prematurely approved the application on June 28, 2017.

8. A Commission hearing is not required to address this legal conclusion. The timeline associated with the issuance of the administrative order is not disputed and clearly evident from the Division’s records. The resulting application of that timeline to the 15-day waiting period required by NMAC 19.15.26.8(C) is a legal conclusion that likewise does not require a Commission hearing.

**CONCLUSION**

For the foregoing reasons, Delaware Energy request that the Commission grant its motion and that this matter be decided as expeditiously as possible without an evidentiary hearing.

Respectfully Submitted,

**HOLLAND & HART LLP**



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Adam G. Rankin  
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Santa Fe, NM 87504  
505-998-4421  
505-983-6043 Facsimile  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)

**ATTORNEYS FOR DELAWARE ENERGY LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Supplement was served via electronic mail on the following parties on the 16th day of April 2018:

Gary W. Larson  
Hinkle Shanor LLP  
218 Montezuma  
Santa Fe, New Mexico 87501  
(505) 982-4554 telephone  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

**ATTORNEY FOR ALPHA SWD OPERATING INC.**

/s/   
Adam G. Rankin

|                                       |         |          |         |      |                   |
|---------------------------------------|---------|----------|---------|------|-------------------|
| 672-207                               | SUBJECT | ENGINEER | 672-207 | 5413 | 01/11/19/16358339 |
| APPLY THIS LINE FOR DIVISION USE ONLY |         |          |         |      |                   |

*Supplied  
6/2/19  
NO ACCIDENTS  
with B.I. off logs  
new*

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Production Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Case Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS-Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

**(1) TYPE OF APPLICATION - Check Those Which Apply for (A)**

- (A) Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for (B) or (C)

- (B) Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- (C) Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- (D) Other Specify \_\_\_\_\_

*-5413  
-Alpha SWD operating Ue  
372180*

*U-41  
-Alpha SWD #1  
30-015144-37*

*Pool  
-Swid  
Deponium -  
Silurian  
9-7869*

**(2) NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- (A)  Working, Royalty or Overriding Royalty Interest Owners
- (B)  Offset Operators, Leaseholders or Surface Owner
- (C)  Application is One Which Requires Published Legal Notice
- (D)  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- (E)  For all of the above, Proof of Notification or Publication is Attached, and/or,
- (F)  Waivers are Attached

**(3) SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**(4) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity

Chris Weyand  
Print or Type Name

*Chris Weyand*  
Signature

Consulting Engineer  
Title

6/6/2019  
Date

chris@jonquist.com  
e-mail Address

**McMillan, Michael, EMNRD**

**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, June 12, 2017 4:24 PM  
**To:** 'Chris@lonquist.com'; Steve Pattee  
**Cc:** Jones, William V, EMNRD; Goetze, Phillip, EMNRD  
**Subject:** Alpha SWD Operating, LLC Alpha SWD Well No 1

Steve

Your application that was received on June 12, 2017 will not be placed into the administrative application review process

The following information is required

- Return receipt for surface owner
- Return receipt for operator of record,
- Affidavit of publication
- Signed statement from either a geologist or engineer that there is no connection between groundwater and injection interval (a signed statement from the form C-108)

If the required information is not received within 10-days, your application will be cancelled

Michael McMillan  
1220 South St Francis  
Santa Fe, New Mexico  
505-476-3448  
Michael mcmillan@state.nm.us

|   |  |   |   |
|---|--|---|---|
| <p>Complete items 1, 2, and 3.<br/>         Print your name and address on the reverse so that we can return the card to you.<br/>         Attach this card to the back of the envelope, or on the front if space permits.</p> <p><b>New Mexico Energy Minerals and Natural Resources Department<br/>         Oil Conservation Division District II<br/>         811 S First Street<br/>         Santa Fe New Mexico 87505</b></p> <p>8530 8402 2913 7034 7238 88<br/>         7035 3660 0000 4377 9660</p> | <p>A. Signature<br/> <i>Thomas Adams</i><br/>         B. Address<br/> <i>Thomas Adams</i><br/>         6-12-77</p> <p>1. Add to delivery address below <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Add to delivery address below <input type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Complete items 1, 2, and 3.<br/>         Print your name and address on the reverse so that we can return the card to you.<br/>         Attach this card to the back of the envelope, or on the front if space permits.</p> <p><b>New Mexico Energy Minerals and Natural Resources Department<br/>         Oil Conservation Division District IV<br/>         1220 South Street Fronto Drive<br/>         Santa Fe New Mexico 87505</b></p> <p>8530 8402 2913 7034 7238 88<br/>         7035 3660 0000 4377 9677</p> | <p>APR 12 2017<br/>         CORONA STATION<br/>         SANTA FE, NM 87501</p>  |
| <p>Complete items 1, 2, and 3.<br/>         Print your name and address on the reverse so that we can return the card to you.<br/>         Attach this card to the back of the envelope, or on the front if space permits.</p> <p><b>Metalair Production Company<br/>         One Lincoln Center<br/>         530 LBJ Freeway Suite 1500<br/>         Dallas, Texas 75240</b></p> <p>8530 8402 2913 7034 7238 88<br/>         7035 3660 0000 4377 9677</p>  | <p>A. Signature<br/> <i>Diann Burns</i><br/>         B. Address<br/> <i>Diann Burns</i><br/>         6/14/77</p> <p>1. Add to delivery address below <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Add to delivery address below <input type="checkbox"/> Yes <input type="checkbox"/> No</p>   | <p>Complete items 1, 2, and 3.<br/>         Print your name and address on the reverse so that we can return the card to you.<br/>         Attach this card to the back of the envelope, or on the front if space permits.</p> <p><b>Mr James N Phillips &amp;<br/>         Mrs James R Phillips<br/>         P O Box 148<br/>         Maligne New Mexico 88263</b></p> <p>8530 8402 2913 7034 7238 88<br/>         7035 3660 0000 4377 9707</p>  | <p>A. Signature<br/> <i>James Phillips</i><br/>         B. Address<br/> <i>James Phillips</i></p> <p>1. Add to delivery address below <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>2. Add to delivery address below <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |

Complete items 1, 2, and 3.  
 Print your name and address on the reverse so that we can return the card to you.  
 Attach this card to the back of the envelope, or on the front if space permits.

**COO Operating, LLC  
 One Lincoln Center  
 530 W. Illinois Avenue  
 Bedford Texas 76011**

8530 8402 2913 7034 7238 88  
 7035 3660 0000 4377 9677

EXHIBIT 3

**Affidavit of Publication**

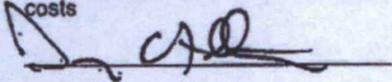
State of New Mexico,  
County of Eddy, ss

**Danny Fletcher**, being first duly  
sworn, on oath says

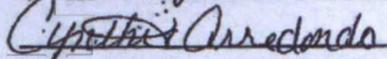
That he is the Publisher of the  
Carlsbad Current-Argus, a  
newspaper published daily at the  
City of Carlsbad, in said county of  
Eddy, state of New Mexico and of  
general paid circulation in said  
county, that the same is a duly  
qualified newspaper under the laws  
of the State wherein legal notices  
and advertisements may be  
published, that the printed notice  
attached hereto was published in the  
regular and entire edition of said  
newspaper and not in supplement  
thereof on the date as follows, to wit

June 6 2017

That the cost of publication is **\$70.15**  
and that payment thereof has been  
made and will be assessed as court  
costs



Subscribed and sworn to before me  
this 7 day of June, 2017



My commission Expires 2/13/21

Notary Public



June 6, 2017  
Alpha SWD Operating  
1111 C. 4436, Sterling, TX  
P.O. Box 75093, Dallas, TX  
Filing Form C-108 (App  
lication for Authority  
to Inject with  
the New Mexico Oil  
Conservation Division  
for administrative ap  
proval for its salt wa  
ter disposal well Alpha  
SWD 1651. The propo  
sed well will be loc  
ated 2.083 feet in Section  
10, Township 24S, Range  
28E in Eddy  
County, New Mexico.  
Disposal water will be  
sourced from area  
production and will  
be injected into the  
Siluro-Devonian For  
mation (determined  
by offset log analysis)  
through an open hole  
completion between a  
maximum applied for  
top of 14,000 feet to a  
maximum depth of  
15,200 feet. The maxi  
mum surface injection  
pressure will not ex  
ceed 2,800 psi with a  
maximum rate of  
32,000 BWPD inter  
ested parties oppos  
ing the action must  
file objections or re  
quests for hearing  
with the Oil Conserva  
tion Division, 1220  
South W. St. Francis  
Drive, Santa Fe, New  
Mexico 87505, within  
15 days. Additional in  
formation can be ob  
tained from the applic  
ant's agent, Conquist  
ador (Co.) LLC, at (512)  
600-1764 or at (512) 600-1764.

**IX Proposed Stimulation Program**

No proposed stimulation program

**X Logging and Test Data on the Well**

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

**XI Chemical Analysis of Fresh Water Wells**

Cardinal Laboratories in Hobbs, New Mexico was contracted to obtain water samples from fresh water wells within 1 mile and provide chemical analysis of the samples. It was determined that all wells within the area had been plugged or were not operational.

**XII Affirmative Statement of Examination of Geologic and Engineering Data**

Based on the available engineering and geologic data we find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

*Chc Wyl*  
6/19/2017



C-108 Review Checklist:

Received 6/14/2007 Add Request 6/14/2007 Reply Date \_\_\_\_\_ Suspended \_\_\_\_\_ (Ver 18)

ORDER TYPE WFX / PMX / SWD Number \_\_\_\_\_ Order Date \_\_\_\_\_ Legacy Permits/Orders \_\_\_\_\_

Well No 1 Well Name(s) Alpha-SWD

API 30-0 15-44237 Spud Date TBN New or Old N (UIC Class II Primary 03/07/1982)

Footages 1487 FSEL Lot \_\_\_\_\_ or Unit 5 Sec 10 Tsp 24S Rge 28E County Eddy

General Location 2.1 mile N of Madach Pool SWD Division-S. 24 Pool No 97865

BLM 100K Map Carlsbad Operator Alpha-SWD OGRID 3711 Contact Chris Wendt/Asst

COMPLIANCE RULE 59 Total Wells 1 Inactive 0 Fnc'l Assur OK Compl Order 4A TS 59 OK? Date 6-27-2007

WELL FILE REVIEWED  Current Status Proposed

WELL DIAGRAMS NEW Proposed  or RE-ENTER Before Conv  After Conv  Logs in Imaging N/A

Planned Rehab Work to Well \_\_\_\_\_

| Well Construction Details        |  | Size (in)              | Setting Depths (ft) | Cement      | Cement Top and Determination Method |
|----------------------------------|--|------------------------|---------------------|-------------|-------------------------------------|
|                                  |  | Borehole / Pipe        |                     | Sz or Cf    |                                     |
| Planned or Existing Surface      |  | <u>2 1/2" / 2 3/4"</u> | <u>600'</u>         | Stage Tool  | <u>1420</u> Surface / Visoal        |
| Planned or Existing Interim/Prod |  | <u>1 7/8" / 1 3/8"</u> | <u>2600</u>         |             | <u>1465</u> Surface / Visoal        |
| Planned or Existing Interim/Prod |  | <u>1 1/2" / 1 1/8"</u> | <u>6700</u>         |             | <u>1440</u> Surface / Visoal        |
| Planned or Existing Prod/Liner   |  | <u>3 1/2" / 3 1/4"</u> | <u>13650</u>        |             | <u>370</u> 5400 / ERL               |
| Planned or Existing Liner        |  |                        |                     |             |                                     |
| Planned or Existing OH/PERF      |  | <u>1 1/2" / 1 5/8"</u> |                     | <u>1200</u> |                                     |

| Injection Lithostratigraphic Units |  | Depth (ft) | Injection or Containing Units | Top          | Completion/Operation Details   |
|------------------------------------|--|------------|-------------------------------|--------------|--|
| Adjacent Unit Litho Struc Per      |  |            | <u>DN</u>                     | <u>14100</u> | Drilled TD <u>15200</u> PBTD _____   |
| Confining Unit Litho Struc Per     |  |            | <u>6100</u>                   | <u>1392</u>  | NEW TD _____ NEW PBTD _____  |
| Proposed try interval TOP          |  |            |                               |              | NEW Open Hole <input checked="" type="checkbox"/> or NEW Perf <input type="checkbox"/> |
| Proposed try interval BOTTOM       |  |            |                               |              | Tubing Size <u>1 1/2"</u> Inter Coated? _____  |
| Confining Unit Litho Struc Per     |  |            |                               |              | Proposed Packer Depth <u>1355</u> ft   |
| Adjacent Unit Litho Struc Per      |  |            |                               |              | Min Packer Depth <u>1352</u> (100-ft limit)  |
|                                    |  |            |                               |              | Proposed Max Surface Press <u>200</u> psi  |
|                                    |  |            |                               |              | Admin Inj Press <u>290</u> (0.2 psi per ft)  |

**AQR Hydrologic and Geologic Information**

POTASH R-111-P Not Hazard? \_\_\_\_\_ BLM Sec Ord  WIPP  Noticed? \_\_\_\_\_ Salt/Salado T 28E 28N Cliff House fm not

FRESH WATER Aquifer Carlsbad Max Depth 140 HYDRO AFFIRM STATEMENT By Qualified Person

NMOSE Basin Carlsbad CAPTAN REEF thru edj NA No Wells within 1-Mile Radius? \_\_\_\_\_ FW Analysis \_\_\_\_\_

Disposal Fluid Formation Source(s) Release Analysis? \_\_\_\_\_ On Lease  Operator Only  or Commercial

Disposal Inj Inject Rate (Avg/Max BWPD) 25K/30K Protectable Waters? N/A Source \_\_\_\_\_ System Closed or Open \_\_\_\_\_

HG Potential Producing interval? N/A Formerly Producing? \_\_\_\_\_ Method Logs/DST/P&A/Other not 1/2-Mile Radius Pool Map

AQR Wells: 1/2-M Radius Map? Y Well List? \_\_\_\_\_ Total No Wells Penetrating Interval \_\_\_\_\_ Horizontal? \_\_\_\_\_

Penetrating Wells No Active Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

Penetrating Wells No P&A Wells 0 Num Repairs? \_\_\_\_\_ on which well(s)? \_\_\_\_\_ Diagrams? \_\_\_\_\_

NOTICE Newspaper Date June 26, 2007 Mineral Owner \_\_\_\_\_ Surface Owner Phillips N Date \_\_\_\_\_

RULE 20 7(A) Identified Tracts? Y Affected Persons CUB, W. H. H. H. H. N Date 6-06-2007

Order Conditions' issues \_\_\_\_\_