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WRITER:

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Partner

2013 JAN 11 P 2:21
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January 11, 2013

Via Hand Delivery

Florene Davidson
Oil Conservation Commission
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Case No. 14664

Dear Florene:

Enclosed for filing is Applicant Frontier Field Services, LLC's Motion to Amend Order No. R-13443. Also enclosed is a proposed hearing notice.

As stated in the motion, Frontier requests that the Commission set the motion for hearing on the February 14, 2013 docket.

Thank you for your assistance.

Very truly yours,

Gary W. Larson

GWL:rc
Enclosures

cc: Gabrielle Gerholt (via email)

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

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**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF FRONTIER FIELD
SERVICES, LLC FOR APPROVAL OF
AN ACID GAS DISPOSAL WELL,
LEA COUNTY, NEW MEXICO**

**Reopened
Case No. 14664**

**APPLICANT FRONTIER FIELD
SERVICES, LLC'S MOTION
TO AMEND ORDER NO. R-13443**

Applicant Frontier Field Services, LLC ("Frontier") moves the Oil Conservation Commission ("Commission") to amend Order No. R-13443 by eliminating certain conditions in the order that pertain to offset wells and lowering the uppermost elevation of the permitted disposal interval. In support of its motion, Frontier states:

1. On May 16, 2011, Frontier filed an application with the Oil Conservation Division ("OCD") for authority to inject treated acid gas ("TAG") containing hydrogen sulfide ("H₂S") and carbon dioxide into its proposed Maljamar AGI #1 well to be located in Section 21, T17S, R32E in Lea County, next to Frontier's Maljamar Gas Plant. The application requested authority to inject TAG into the Lower Wolfcamp Formation as the primary injection interval, as well as a potential secondary injection interval in the Lower Leonard Formation located between approximately 9,300 and 9,550 feet.

2. An OCD Hearing Examiner conducted a hearing on Frontier's application on June 23, 2011. There was no opposition to the application.

3. On August 11, 2011, the OCD issued Order No. R-13443, which authorizes Frontier to utilize its proposed Maljamar AGI Well # 1 for the disposal of TAG through perforations from approximately 9,300 to 10,000 feet.

4. Frontier recently completed the Maljamar AGI #1 well. While it has not yet injected TAG into the well, Frontier anticipates that it will commence injection later this month.

5. Order No. R-13443 enumerates certain conditions, including requirements that: (i) Frontier ensure that eight listed wells that are located within a 1.5 mile radius of the Maljamar AGI #1 well, as well as any later-completed wells within that radius that penetrate the permitted injection interval, are equipped with H₂S warning flags or other safety indicators until such time as the flagged well is permanently plugged back above the equivalent disposal interval; and (ii) plug any of the wells if the level of H₂S in the well reaches 100 ppm. As required by the order, Frontier has placed H₂S warning signs on all of the listed wells.

6. Frontier submits, and will demonstrate at the hearing on its motion, that the requirements in Order No. R-13443 addressing the offset wells are unnecessary and unworkable, and may impair correlative rights and result in waste. Consequently, Frontier requests that the Commission eliminate the requirements in Order No. R-13443 that it place H₂S warning flags or other safety indicators on later-completed offset wells and potentially plug the listed and any later-developed offset wells.

7. Since Order No. R-13443 was issued, Frontier has determined that it will not utilize the secondary injection interval in the Lower Leonard Formation. Accordingly, Frontier requests that the Commission further amend Order No. R-13443 by lowering the uppermost elevation of the permitted injection interval from approximately 9,300 feet to approximately 9,550 feet.

WHEREFORE, Frontier requests that the Commission:

- (a) Set this motion for hearing on its February 14, 2013 docket;
- (b) Grant the motion;
- (c) Amend Order No. R-1344 by (i) eliminating the requirements that Frontier place H₂S warning flags or safety indicators on and potentially plug the identified and any later-completed offset wells, and (ii) lowering the uppermost elevation of the permitted injection interval from 9,300 feet to approximately 9,550 feet; and
- (d) Grant Frontier such further relief as the Commission deems appropriate.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR
& MARTIN, LLP



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Attorney for Frontier Field Services, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of January, 2013, I served a true and correct copy of the foregoing *Applicant Frontier Field Services, LLC's Motion to Amend Order No. R-13443* via email to:

Gabrielle A. Gerholt, Esq.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Gabrielle.Gerholt@state.nm.us

Counsel for the Oil Conservation Division



Gary W. Larson

Case No. 14664: Frontier Field Services, LLC's Motion to Amend Order No. R-13443.

Frontier Field Services, LLC has filed a motion requesting the Oil Conservation Commission to amend Order No. R-13443, which authorizes Frontier to dispose of treated acid gas (TAG) from Frontier's Maljamar Gas Plant by injecting the TAG stream into its Maljamar AGI #1 well. The motion requests the Commission to eliminate the requirements in Order No. R-13443 that: (1) Frontier ensure that eight wells listed in the order that are located within a 1.5 mile radius of the Maljamar AGI #1 well, as well as any later-completed wells within that radius that penetrate the permitted injection interval, are equipped with H₂S warning flags or other safety indicators until such time as the flagged well is permanently plugged back above the equivalent disposal interval; and (2) if the H₂S level on any well reaches 100 ppm, then the subject well shall be shut-in until Frontier has plugged the well. The motion further requests the Commission to lower the uppermost elevation of the permitted injection interval from 9,300 feet to approximately 9,550 feet. The Maljamar AGI #1 well is located in Section 21, Township 17 South, Range 32 East, NMPM, in Lea County, approximately 2.9 miles south of Maljamar, New Mexico.

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