

Goetze Phillip EMNRD

From Goetze Phillip EMNRD
Sent Friday April 7 2017 10:37 AM
To Jordan L Kessler (JKessler@hollandhart.com) Michael Feldewert (mfeldewert@hollandhart.com)
Cc Jones William V EMNRD
Subject Case No 15676 C 108 with Application
Attachments 30015411350000_10_wf.pdf

RE Case No 15676 Dakota Resources Inc Administrative Order SWD 802

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 1/2 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	County	Surf. Owner	UL	Sec	Twp
T21N R28E	30 015 28713	FENTON 7 FEDERAL	003	BEPCO LP	O	P	Eddy	F	N	7	21 S
	30 015 27973	FENTON 7 FEDERAL	001	BOPCO L P	O	A	Eddy	F	E	7	21 S
	30-015 25006	TRIGG FEDERAL	001	DAKOTA RESOURCES INC (I)	S	A	Eddy	F	L	7	21 S
	30 015 24707	BIG EDDY FEDERAL	098	DAKOTA RESOURCES INC (I)	O	A	Eddy	F	F	7	21 S
T21N R27E	30 015 25288	FEDERAL 12	001	J M HUBER CORP	O	P	Eddy	F	I	12	21 S
	30 015 25346	GOVERNMENT D	010	CHESAPEAKE OPERATING INC	S	P	Eddy	F	A	12	21 S
	30 015 25315	GOVERNMENT D	006	CHEVRON U S A INC	O	A	Eddy	F	H	12	21 S
	30-015-41135	LONE TREE DRAW 13 STATE COM	005	DEVON ENERGY PRODUCTION COMPANY LP	O	A	Eddy	S	A	13	21 S

- 2 Discussion of hydrology** the application notes that a potential source of drinking water is the Quaternary alluvium. Though accurate to the occurrence of protectable waters in the shallow alluvial I am not aware of this unit the Quaternary 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

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 Energy Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St Francis Dr
 Santa Fe NM 87505

Form C 102
 Revised August 1 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL DRAW AND ACREAGE DEDICATION PLAT

APN mb 30-015 41135	Pool C d 24330	Pool N m Fenton Delaware NW
Project C d 38927	Project Name LONE TREE DRAW 13 STATE COM	
OGRID N 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY L P	
		Well Number 5H
		Elevation 3164 8

10 Surface Location

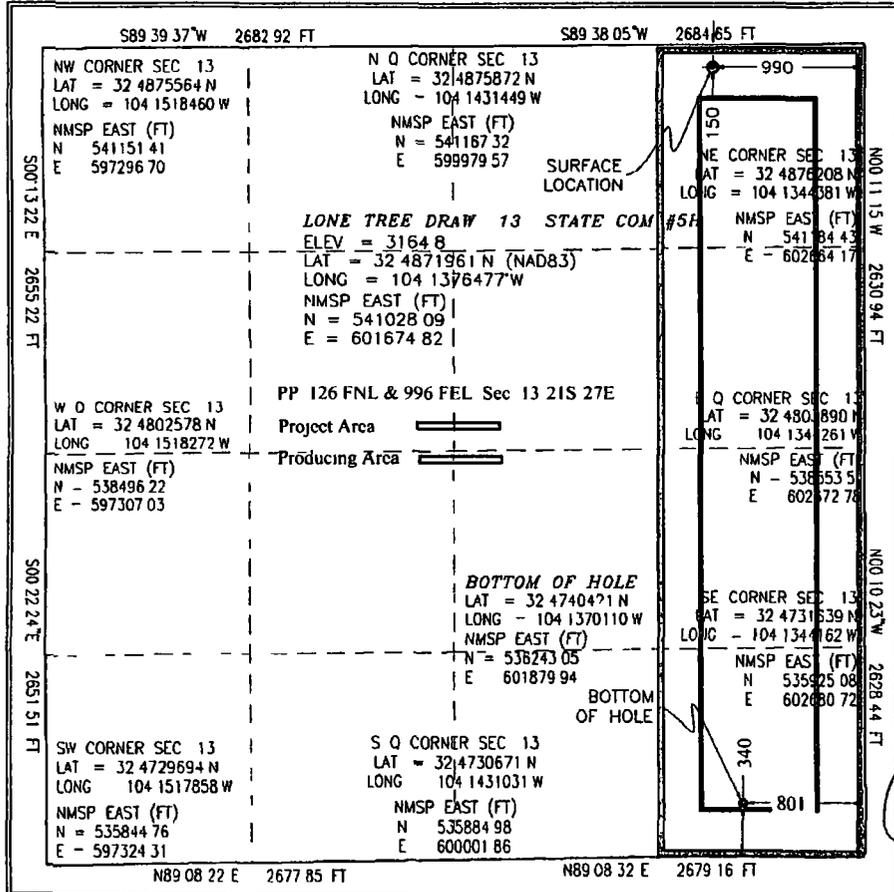
UL lot	St	to ship	Range	Lot Id	Foot m the	North/South	Feet from the	East/West line	County
A	13	21 S	27 E		150	NORTH	990	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL lot	St	to ship	Range	Lot Id	Foot m the	North/South	Feet from the	East/West line	County
P	13	21 S	27 E		340	SOUTH	801	EAST	LDDY

Dedicated Acres 160	Foot m the	County	Section
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No allowable will be assigned to this completion until all interests have been consolidated or a non standard unit has been approved by the division



OPERATOR CERTIFICATION
 I hereby certify that the well location shown on this plat is correct to the best of my belief.
 Signature: *Trina C Couch*
 Date: 11/26/13

Trina C Couch Regulatory Associate
 Email Address: trina.couch@dvn.com

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat is correct to the best of my belief.
 Date of Survey: JANUARY 31 2013

Signature and Seal of Professional Surveyor
 Certificate No. F118-AM10-PI-1797
 SURVEY NO 154