

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

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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

**PRE-HEARING STATEMENT
OF ALPHA SWD OPERATING, LLC**

Alpha SWD Operating, LLC (“Alpha”) submits this Pre-Hearing Statement as required by
the Oil Conservation Division (“the Division”).

APPEARANCES

PARTIES

ATTORNEYS

APPLICANT

Delaware Energy, LLC

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OPPONENT

Alpha SWD Operating, LLC

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STATEMENT OF THE CASE

Applicant Delaware Energy LLC (“Delaware”) requests the Division to enter an order revoking the injection authority granted to Alpha under Administrative Order SWD-1680. In its application, Delaware asserts that its due process rights have been violated because (i) Alpha had knowledge of a Delaware C-108 application for injection authority for a nearby well, which Delaware submitted in October 2016, and failed to notify Delaware when Alpha submitted its C-108 application for the Alpha SWD No. 1 well on June 12, 2017, thereby violating 19.15.26.7.A and 19.15.26.8.B(2) NMAC, (ii) the Division should have required Alpha to notify Delaware of Alpha’s application or notified Delaware itself, thereby also violating 19.15.26.7.A and 19.15.26.8.B(2) NMAC, and (iii) the Division prematurely issued Administrative Order SWD-1680 in violation of 19.15.26.8.C(2). Delaware’s application alternatively requests that, if it does not revoke Administrative Order SWD-1680, the Division should reduce the two-year period for Alpha to commence injection under the order to a one-year period.

Alpha opposes Delaware’s request for the revocation of Administrative Order SWD-1680 application on the grounds that (i) Alpha had no knowledge of Delaware’s October 2016 C-108 when it filed its administrative application, (ii) in any event, the Division’s rules did not require Alpha – or the Division – to notify Delaware of Alpha’s submission of its C-108 application, and (iii) the Division complied with 19.15.26.8.C(2) by timely issuing Administrative Order SWD-1680 when no protests of the application were received. Alpha does not oppose Delaware’s alternative request for relief.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Kurt Knewitz	40 minutes	12
Jason Pickard	40 minutes	10
Chris Weyand (Engineer)	20 minutes	2

Alpha reserves the right to call a rebuttal witness(es) and introduce rebuttal exhibits if appropriate.

PROCEDURAL MATTERS

Alpha is not aware of any procedural matters to be resolved prior to or at the hearing.

Respectfully submitted,

HINKLE SHANOR LLP



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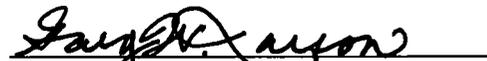
Counsel for Alpha SWD Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of October, 2017, I served a true and correct copy of the foregoing *Pre-Hearing Statement of Alpha SWD Operating, LLC* via email to:

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