

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

SEP 04 2018 PM 04:33

**APPLICATION OF DELAWARE ENERGY, LLC
FOR APPROVAL OF A SALT WATER DISPOSAL
WELL, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 16258-16261

DELAWARE ENERGY LLC'S CONSOLIDATED PRE-HEARING STATEMENT

Delaware Energy LLC ("Delaware Energy"), the applicant in the above-referenced cases, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

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OPPONENT

Foundation Minerals, LLC
Mavros Minerals, LLC
Oak Valley Mineral and Land, L.P.

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

Applicant filed administrative applications with the Division on May 29, 2018 for orders authorizing injection of produced water for disposal purposes in four proposed wells at the following updated locations:

1. **Bear Trap SWD No. 1**, with a surface location, 320 feet from the South line and 2547 feet from the East line of Section 34, Township 23 South, Range 27 East, NMPM, Eddy County, New Mexico, a maximum proposed daily injection rate of approximately 25,000 barrels per day within the Devonian formation at a depth of approximately 13,280 feet to 14,280 feet deep, and a maximum injection pressure of 2,656 psi;
2. **Giant Panda SWD No. 1**, with a surface location, 1429 feet from the South line and 204 feet from the West line of Section 16, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, with a maximum proposed daily injection rate of approximately 25,000 barrels per day within the Devonian formation at a depth of approximately 13,255 feet to 14,255 feet deep, and a maximum injection pressure of 2,651 psi;

3. **Grizzly SWD No. 1**, with a surface location, 205 feet from the South line and 765 feet from the West line of Section 11, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, with a maximum proposed daily injection rate of approximately 25,000 barrels per day within the Devonian formation at a depth of approximately 13,420 feet to 14,420 feet deep, and a maximum injection pressure of 2,684 psi; and
4. **Kodiak SWD No. 1**, with a surface location, 210 feet from the South line and 2335 feet from the West line of Section 5, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, a maximum proposed daily injection rate of approximately 25,000 barrels per day within the Devonian formation at a depth of approximately 13,095 feet to 14,095 feet deep, and a maximum injection pressure of 2,792 psi.

The State Land Office has approved these updated locations.

Foundation Minerals, LLC, Mavros Minerals, LLC, Oak Valley Mineral and Land, L.P., and Delaware Operating – NM, LLC oppose the applications because they have plans to drill a competing salt water disposal well in offsetting acreage. Applicant Delaware Energy has protested that administrative application.

Delaware requests that its C-108 applications, filed first in time, be granted.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jason Goss, Engineer	Approx. 20	Approx. 5
Kevin Schepel, Geologist	Approx. 20	Approx. 3

OPPONENTS' PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Foundation Minerals, LLC Mavros Minerals, LLC Oak Valley Mineral and Land, L.P.	10 min.	6
Brian Arnold, Jr., Landman		
3Bear Delaware Operating – NM, LLC		
Kevin Burns	10 min.	1
Jim & Barbara Davis		
Unknown	Unknown	Unknown

PROCEDURAL MATTERS

Applicant requests that Case Nos. 16258-16261 be presented together for purposes of hearing.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR DELAWARE ENERGY
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CERTIFICATE OF SERVICE

I hereby certify that on September 4, 2018 I served a copy of the foregoing document to
all counsel of record via Electronic Mail to:

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