

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

**APPLICATION OF BOPCO, L.P. FOR REVOCATION OF INJECTION AUTHORITY
UNDER ADMINISTRATIVE ORDER SWD-1073, EDDY COUNTY NEW MEXICO.**

CASE NO. 15219

**APPLICATION OF BOPCO, L.P. FOR REVOCATION OF INJECTION AUTHORITY
UNDER ADMINISTRATIVE ORDER SWD-542, EDDY COUNTY, NEW MEXICO**

CASE NO. 15231

MOTION FOR CONSOLIDATION AND CONTINUANCE

Chevron U.S.A Inc. ("Chevron") and OXY USA, Inc. ("Oxy") jointly move the Division to consolidate Case Nos. 15219 and 15231 for hearing and to continue these matters to a special hearing date. In support of this motion, movants states:

1. Under Case No. 15219, BOPCO seeks an Order from the Division revoking the injection authority granted to Chevron under Administrative Order SWD-1073 for its Lotos 11 Federal Well No. 2 (API 30-015-28821) in Section 11, Township 24 South, Range 31 East in Eddy County. Pursuant to SWD-1073, Chevron has been injecting produced water into the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group through perforations from 4570-5260 feet and 5420-5632 feet, respectively, since 2007.

2. Under Case No. 15231, BOPCO seeks an Order from the Division revoking the injection authority granted to Oxy under Administrative Order SWD-542 for its SDS Federal "11" Well No. 1 (API 30-015-27627) in Section 11, Township 24 South, Range 31 East. Pursuant to SWD-542, Oxy has been injecting water into the Bell Canyon member of the Delaware Mountain Group through perforations no lower than 4822 feet since 1993.

3. In the applications, BOPCO alleges the approved injection operations by Chevron and Oxy are “adversely impacting producing wells in Applicant’s Poker Lake Unit” completed in the lower Brushy Canyon member of the Delaware Mountain Group.

4. BOPCO has made the same allegations with respect to two injection wells operated by Mesquite SWD, Inc. in Sections 11 and 12 of Township 24 South, Range 31 East. *See* Case No. 15192.

5. Division records reflect that injection in the Mesquite wells commenced in 2011 and 2012 and that at least one of these wells have been injecting by open hole into the lower Cherry Canyon member of the Delaware Mountain Group as low as 7050 feet at pressures up to 1,400 psi. *See* SWD-1269, SWD-649-B, and IPI-435.

6. The applications filed by BOPCO in Case No. 15192 (addressing Mesquite’s deeper SWD wells), Case No. 15219 (addressing Chevron’s shallower SWD well) and Case No. 15231 (addressing Oxy’s shallower SWD well) are essentially the same, but the allegations against the two deeper Mesquite wells involve a different set of facts than those involved in the allegations addressing the shallower Chevron and Oxy SWD wells.

7. BOPCO has recently met with both Chevron and Oxy to discuss the basis for its allegations. During these recent meetings, BOPCO informed Chevron and Oxy that Mesquite has recently ceased its injection operations in the lower Cherry Canyon member of the Delaware Mountain Group and that the cessation of these recent injection operations has had a positive impact on BOPCO’s Poker Lake Unit wells. *See also* Stipulation Regarding Revocation Of Injection Authority filed in Case No. 15192.

8. Neither Chevron nor Oxy has had sufficient time to (a) study the information presented by BOPCO at the recent meetings, (b) investigate the facts forming the basis for BOPCO's claims, (c) determine the effect of Mesquite's injection operations in the lower Cherry Canyon member of the Delaware Mountain Group since 2012, or (d) to determine the impact of the recent cessation of Mesquite's injection operations on BOPCO's Poker Lake Unit wells.

9. Given the similarity in the facts associated with the Chevron and Oxy's injection operations in this area, it is appropriate to consolidate Case Nos. 15219 and 15231 for hearing.

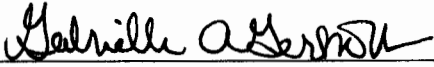
10. Given the length of time Chevron (2007) and Oxy (1993) have been injecting water into the Bell Canyon and upper Cherry Canyon members of the Delaware Mountain Group without incident, the fact that cessation of Mesquite's recent injection operations via open hole into the lower Cherry Canyon member has had a positive impact on BOPCO's referenced wells in the Poker Lake Unit, and the fact that the parties only recently met about BOPCO's concerns, no harm will arise if this matter is continued to allow the Division to set a special hearing date to address any remaining BOPCO concerns.

11. Counsel for BOPCO has been contacted regarding this motion and BOPCO does not oppose the continuance or consolidation of these matters. BOPCO, however, does request that a prehearing conference be scheduled as soon as possible.

WHEREFORE, Chevron and Oxy request that the Division consolidate Case Nos. 15219 and 15231 for hearing and that these matters be continued to allow the Division to set a special hearing date to address any remaining BOPCO concerns.

Respectfully submitted,

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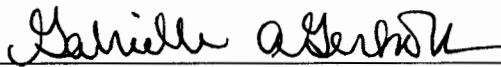
**ATTORNEY FOR
CHEVRON U.S.A. INC. AND OXY USA, INC.**

CERTIFICATE OF SERVICE

I hereby certify that on October 23, 2014, I served a copy of the foregoing document to the following via electronic mail to:

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