

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

**IN THE MATTER OF THE APPLICATION OF LOGOS
RESOURCES II, LLC FOR EXTENSION OF
AUTHORIZATION TO OPERATE THE ROSA UNIT
RECYCLING AND CONTAINMENT FACILITY AND
FOR EXCEPTION FROM THE CLOSURE
REQUIREMENTS OF NMAC 19.15.34.14,
RIO ARRIBA COUNTY, NEW MEXICO.**

**CASE NO. 16069
ORDER NO. R-14614**

ORDER OF THE DIVISION

This matter came before the Division on the Motion for Interim Order filed on behalf of LOGOS Resources II LLC pursuant to 19.15.4.16 NMAC of the Division's Rules.

NOW, on this 28th day of March, 2018, the Division Deputy Director, on consideration of the Motion and otherwise being duly advised,

FINDS THAT:

(1) The Director has delegated jurisdiction on this matter to the Division Deputy Director.

(2) The Deputy Director has jurisdiction of the matter pursuant to *inter alia* Rule 19.15.4.16 and is authorized to rule on prehearing motions that are appropriate for disposition prior to a hearing on the merits of an Application.

(3) The Application in this matter was filed on March 6, 2018 by LOGOS Resources II, LLC ("LOGOS").

(4) The subject matter of the Application and hearing is the continuation of the authorization to operate Rosa Unit Recycling and Containment Facility ("Facility") located in Section 30, Township 31 North, Range 5 West, NMPM in Rio Arriba County, New Mexico (3RF-3) previously operated by WPX Energy Production, LLC. The Facility was acquired by LOGOS on December 21, 2017 and the Change of Operator was approved by the Division on January 16, 2018.

(5) By its Motion, LOGOS seeks interim relief as follows: (A) Temporary suspension of any automatic determination of cessation of operations of the Facility by operation of NMAC 19.15.34.13.C of the Division's Rules. (B) Temporary suspension of

the Closure and Site Reclamation Requirements for Recycling Containments that would otherwise automatically apply under NMAC 19.15.34.14.A following a determination of cessation of operations.

(6) In March of 2016, WPX discovered the need to make certain repairs and improvements to the Facility. The Facility was then removed from active use for disposal and withdrawal of produced water.

(7) Following removal from service, the Facility would have been deemed to have ceased operations on September 31, 2016, by operation of Rule 19.15.34.13.C. After cessation by operation of the rule, the requirements of Rule 19.15.34.14 would then have applied and the operator would be obliged to remove all fluids within 60 days and close the containment within six months.

(8) WPX maintained its authority to operate the Facility by obtaining a number of administrative extensions and by the Division's Director pursuant to the terms of Order No. R-14314. The extension currently applicable to the Facility expires on March 31, 2018. Order No. R-14314 provides for further extensions but only after notice and hearing.

(9) The Application in this matter is scheduled for examiner hearing on April 5, 2018 and additional time will be needed for the Division to evaluate the evidence and render an order.

(10) Without interim action by the Division, there is a reasonable possibility that the authorization to operate the Facility will be deemed to have ceased by operation of Rule 19.15.34.13.C. LOGOS has plans to resume the evaluation and implementation of any further repairs necessary to place the Facility into service, but its regulatory authority to do so may be placed into question because of the interruption.

(11) Granting the Motion for Interim Relief will preserve the status quo, and will avoid the gross negative consequences that would result from the interruption of operations, is in the interests of conservation and the avoidance of economic waste.

(12) The automatic determination of cessation of operations and applicability of the Closure and Site Reclamation Requirements should be suspended pending a hearing on the merits of the Application and issuance of an order post-hearing.

IT IS THEREFORE ORDERED THAT:

(1) Any automatic determination of cessation of operations of the Facility under Rule 19.15.34.13.C and the applicability of the Closure and Site Reclamation Requirements under Rule 19.15.34.14.A are suspended until the Division has conducted a hearing on the merits of the Application in this matter and has issued its order accordingly.

(2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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A handwritten signature in black ink, appearing to read "Allison R. Marks".

ALLISON R. MARKS
Deputy Director