



EGOLF + FERLIC
MARTINEZ + HARWOOD
ATTORNEYS AT LAW

January 25, 2019

Via USPS and Email:terrygwarnell@state.nm.us

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Application for Adjudicatory Hearing

Dear Oil Conservation Division Director:

Pursuant to 19.15.4.8 NMAC, Applicant Jay Management Company LLC applies for an adjudicatory hearing related to the Division's administrative denial of an application for injection well (Form C-108).

Information

Applicant's name: Jay Management Company LLC.

Applicant's address: 1001 West Loop South, Suite 750
Houston, Texas 77027
713-621-6785

Applicant's attorney: Egolf + Ferlic + Martinez + Harwood, LLC
123 W. San Francisco St., Second Floor
Santa Fe, NM 87501
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Nature of Area and Relief Sought

This application concerns Well API # 30-025-22811, name G.S. State No. 1, within the Bagley Permo Penn North pool; Lea County, Section 8, Township 11S, Range 33E.

On October 23, 2018, Jay Management submitted a C-108 Application for Authorization to Inject. The well in question had previously been drilled for oil production and was to be converted to a commercial salt water disposal well. A copy of the application is attached here.



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The Division stated that the C-108 application could not be approved administratively because there is an actively producing well, Gulf Sohio State Well No. 1, API 30-025-21194, from the pool within a half-mile from Well API # 30-025-22811.

Applicant seeks an order approving the C-108 Application for Authorization to Inject.

Proposed Legal Notice

Applicant proposes the following legal notice:

Case _____: Application of Jay Management Company for approval of a salt water disposal well in Lea County, New Mexico. Applicant seeks an order approving disposal into the Pennsylvanian formation through the G.S. State SWD #1 well at a surface location 2,086 feet from the North line and 1,874 feet from the East line of Section 8, Unit G, Township 11 South, Range 33 East, Lea County, New Mexico, for the purpose of operating a salt water disposal well. Applicant seeks authority to inject salt water into the Pennsylvanian formation at a depth of 9,192 to 10,354 feet. Applicant seeks approval to use 12 $\frac{3}{4}$ inch casing in the surface casing, 8 $\frac{5}{8}$ -inch casing in the intermediate casing at 3,725 feet of depth, and 5 $\frac{1}{2}$ inch production casing at 10,400 feet of depth for an injection rate between 5,000 and 6,000 barrels per day. Said area is located approximately five miles east of Caprock, New Mexico.

Conclusion

Please notify this office of the date set for adjudicatory hearing and the assigned case number. Applicant requests an expedited hearing on February 7-8, 2019 due to the significant expenses being incurred daily without the disposal well. If expedited hearing cannot be accommodated, applicant requests the hearing be set on the March 7, 2019 docket or sooner.

Sincerely,

/s/Kate Ferlic
Kate Ferlic