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

APPLICATION OF BOPCO, L.P. TO RESCIND OR REVISE ADMINISTRATIVE ORDERS SWD-699 AND SWD-1248, EDDY COUNTY, NEW MEXICO.

1 NUL [102 ECEIVED OG Case No.

APPLICATION

BOPCO, L.P. ("BOPCO") applies for an order rescinding the Division's Administrative Orders SWD-699 and SWD-1248, and in support thereof, states:

1. Devon Energy Production Company, L.P. ("Devon") currently operates the following

two disposal wells in Section 2, Township 25 South, Range 31 East, N.M.P.M:

- (a) The Cotton Draw Unit Well No. 65 (API No. 30-015-10843), located 1980 feet from the north line and 1980 feet from the east line (Unit G) of said Section 2; and
- (b) The Cotton Draw Unit Well No. 81 (API No. 30-015-29345), located 1650 feet from the south line and 660 feet from the west line (Unit L) of said Section 2.

2. The authority to utilize the CDU Well No. 65 for injection was granted by the Division in March of 1998, under Administrative Order SWD-699. This Order authorized the injection of "salt water" for disposal purposes into the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group at depths of 4542-5714 feet. In March of 2002, under Administrative Order ISI-170, the Division approved an increase in the well's maximum surface injection pressure to 1100 psi.

3. The authority to utilize CDU Well No. 81 for injection was granted by the Division in October of 2010, under Administrative Order SWD-1248. This Order authorized the injection of "oil field produced water" into the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group at depths of 4541-5734 and limited the well's surface injection pressure to no more than 908 psi. 4. BOPCO operates the Poker Lake Unit ("PLU"), which adjoins a portion of the Cotton Draw Unit.

5. BOPCO has experienced an unusually high bottom-hole pressure and water cut in the following producing wells in the Poker Lake Unit, which are completed in and producing from the Delaware Mountain Group: The PLU Well Nos. 303H, 355H, 356H, and 312 H.

6. The unusually high bottom-hole pressure and water cut in these wells have adversely affected their producing capabilities and will cause the wells to be prematurely abandoned, thus causing waste and impairing correlative rights.

7. BOPCO intends to present evidence that Devon's current injection operations in the CDU No. 65 and CDU No. 81 are causing waste and impairing BOPCO's correlative rights.

WHEREFORE, BOPCO requests that the Division set this matter for hearing before an Examiner of the Oil Conservation Division on July 11, 2013, and, after notice and hearing enter an order rescinding or revising the injection authority provided under Administrative Orders SWD-699 and SWD-1248.

Respectfully submitted,

HOLLAND & HART, LLP

Gella. By:

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ATTORNEYS FOR BOPCO, L.P.

CASE <u>15624</u>: Application Of BOPCO, L.P. To Rescind Or Revise Administrative Orders SWD-699 And SWD-1248, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order rescinding or revising the injection authority granted under Administrative Orders SWD-699 and SWD-1248 for the following two injection wells, which are operated by Devon Energy Production Company, L.P. in the Cotton Draw Unit and located in Section 2, Township 25 South, Range 31 East, N.M.P.M:

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(a) CDU Well No. 65 (API No. 30-015-10843), located 1980 feet from the north line and 1980 feet from the east line (Unit G) of said Section 2; and

(b) CDU Well No. 81 (API No. 30-015-29345), located 1650 feet from the south line and 660 feet from the west line (Unit L) of said Section 2.

Applicant intends to present evidence that the injection operations in these two wells are adversely affecting Applicant's producing wells in the adjacent Poker Lake Unit, thereby causing waste and impairing Applicant's correlative rights. Said area is located approximately 28 miles Southeast of Carlsbad, New Mexico.