# STATE OF NEW MEXIGO- CENERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

2016 APR 20 A 9: 12

## IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

# APPLICATION OF GUARDIAN OPERATING CORPORATION FOR AUTHORIZATION TO INJECT, EDDY COUNTY, NEW MEXICO.

Case No. 15,483

#### **PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

### APPEARANCES

#### <u>APPLICANT</u> Guardian Operating Corporation

OPPONENT Mewbourne Oil Company Suite 1020 500 West Texas Midland, Texas 79701

Attention: Drew Robison (432) 682-3715 <u>APPLICANT'S ATTORNEY</u> J. Scott Hall

## OPPONENT'S ATTORNEY James Bruce P.O. Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

### STATEMENT OF THE CASE

### <u>APPLICANT</u>

Applicant seeks authorization to inject produced water into the Cherry Canyon member of the Delaware Mountain Group in the Kirkes SWD Well No. 1, located in Unit J of Section 10 of Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. The well's location is identified by a blue triangle on the Midland Map Co. plat marked as Exhibit A, attached hereto.

#### <u>OPPONENT</u>

Mewbourne's acreage near the Kirkes SWD Well No. 1 is highlighted in yellow on Exhibit A. While Mewbourne's acreage is outside the one-half mile area of review, it owns substantial leasehold interests very near to the proposed SWD well.

Mewbourne opposes the application because of the following issues:

1. There are numerous examples of producing wells being adversely affected by injection wells located miles away from the producing wells.

2. The well in Unit K of Section 2, Township 24 South, Range 28 East, NMPM (now P&A'd), was a Cherry Canyon producer with cumulative production of 15 MBO. Therefore, the Cherry Canyon is proven to be productive within 1 mile of the proposed SWD well.

3. The Delaware Mountain Group has anomalously low frac gradients, and there are no frac barriers or impermeable strata to prevent migration of injection fluids outside of the proposed injection interval.

4. If approved, the proposed SWD well could adversely affect both the Brushy Canyon member of the Delaware Mountain Group and the Avalon zone of the Bone Spring formation.

Guardian's wellbore configuration is ideal for sidetracking and deepening to the Devonian formation. The Devonian formation in the area has been proven to be an excellent disposal reservoir which is barren of hydrocarbons. Injection into the Devonian formation would prevent the potential waste of proven productive reserves and allow for more disposal capacity.

#### PROPOSED EVIDENCE

#### <u>APPLICANT</u>

WITNESSES	EST. TIME	<b>EXHIBITS</b>
<u>OPPONENT</u>		
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Nate Cless (geologist)	20 min.	Approx. 4
Travis Cude (engineer)	20 min.	Approx. 4

# **PROCEDURAL MATTERS**

Respectfully submitted,

James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Mewbourne Oil Company

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this  $2v_{4}$  day of April, 2016 by e-mail:

J. Scott Hall shall@montand.com

**Ron Morales** Ron. Morales@rm01.enmuros.cc.nm.us

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