

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION COMPLIANCE AND
ENFORCEMENT BUREAU FOR A COMPLIANCE ORDER AGAINST
OWL SWD OPERATING, LLC FOR THE MARALO SHOLES B WELL NO 2
OPERATED IN LEA COUNTY, NEW MEXICO

CASE NO 15753

OWL'S FIRST MOTION FOR CONTINUANCE

OWL SWD Operating, LLC ("OWL"), by and through its undersigned attorneys, hereby moves that the hearing in the above-referenced matter set for July 6, 2017, be vacated and reset to be heard on the Oil Conservation Division's docket on July 20, 2017 before the Hearing Examiner. In support thereof, OWL submits the following:

1 On June 6, 2017, the New Mexico Oil Conservation Division, Compliance and Enforcement Bureau (hereinafter "OCD") filed an application for a compliance order determining that the Maralo Sholes B Well No 2, located in Lea County, New Mexico (hereinafter "existing well") was out of compliance and directing OWL to return the existing well to compliance or suspend injection operations and to plug and abandon.

2 A hearing on the application for a compliance order was set for July 6, 2017.

3 On May 9, 2017, OWL submitted an application for an order authorizing the injection of water for disposal into the Yates-Seven Rivers formation in Lea County, New Mexico into a new well identified as the Bobcat SWD No 1 located in Lea County, New Mexico (hereinafter "new well").

4 A hearing on the application to inject was set for June 8, 2017, before the Division and assigned Case No. 15723.

5 On June 6, 2017, on a motion by the State Land Office and during a Prehearing Conference, the hearing on the application to inject was continued to June 22, 2017

6 On June 12, 2017, OWL filed a motion requesting that Case No 15723 be heard before the Oil Conservation Commission. To date, the Motion has yet to be acted upon

7 On June 16, 2017, OCD filed a motion to continue Case No 15723 from the June 22 docket to the July 20 docket while we await action on OWL's motion for that case to be heard by the Commission. On June 20, 2017, OWL's counsel was advised that the hearing on the application to inject was continued to the July 20, 2017 docket

8 The resolution of this case, Case No 15753, depends in part on the resolution of the application to inject, Case No 15723, as the new well identified in the application to inject is meant to replace the existing well mentioned in the application for a compliance order

9 A continuance of this matter to the July 20, 2017 docket would address several issues, some of which would avoid wasting resources by OWL and the OCD

10 In addition to the concern regarding resources, OWL requires additional time to prepare for the hearing on OCD's application for a compliance order regarding the existing well

11 As noted above, the hearing on the application to inject, Case No 15723, is currently scheduled for July 20, 2017, as no action has been taken on OWL's request to move the hearing before the Commission

12 In the event that Case No 15723 proceeds before a hearing examiner, OWL will need to arrange for out-of-town witnesses to be present at the hearing on the application to inject set for July 20, 2017, and those witnesses, and possibly others, are needed for the hearing on this matter regarding the existing well

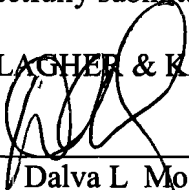
13 Given the unique circumstances of this matter as it is related to OWL's application to inject and OWL's need for additional preparation time the cost of incurring additional substantial expense could be alleviated by moving the hearing on this matter to the July 20, 2017 docket

14 Therefore, in an effort to conserve both OWL's and the agency's resources, accommodate witnesses, and accommodate the unique circumstances presented between the two matters, OWL believes that it would be most appropriate to continue the hearing of this matter to the July 20, 2017 docket

WHEREFORE, OWL respectfully moves that the Hearing Examiner vacate the hearing set on July 6, 2017 and continue the hearing to the July 20, 2017 docket

Respectfully submitted,

GALLAGHER & KENNEDY, P A

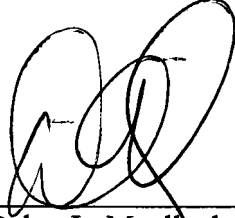
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ATTORNEYS FOR OWL SWD Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading, was served electronically and by regular mail upon the following counsel on this 22nd day of June, 2017

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