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

APPLICATION OF DELAWARE ENERGY LLC TO REVOKE THE INJECTION AUTHORITY GRANTED UNDER SWD-1680 FOR THE ALPHA SWD NO. 1 WELL OPERATED BY ALPHA SWD OPERATING LLC, EDDY COUNTY, NEW MEXICO

Case No. 15855 Order No. R-14484

EMERGENCY STAY ORDER

This matter came on for hearing before Examiner Phillip Goetze on October 10, 2017. Now on this 11th day of October, 2017, the Division Director, having considered the recommendation of the Examiner,

FINDS THAT:

(1) Delaware Energy, LLC ("Applicant") and Alpha SWD Operating LLC, the permitee in the permit of which Applicant seeks revocation ("Alpha"), appeared before the Examiner and presented argument on Applicant's Motion to Stay.

(2) By the Motion to Stay Applicant seeks a stay order suspending the permit issued to Alpha by Administrative Order No. SWD-1680 to inject produced water into its proposed Alpha SWD No. 1 ("the proposed well" – API No. 30-015-44237), to be located 1457 feet from the South line and 2093 feet from the East line, (Unit J) of Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico.

(3) The proposed well has not been drilled.

(4) Applicant alleges, *inter alia*, that proper notice was not given prior to issuance of Administrative Order No. SWD-1680.

(5) Applicant seeks an order suspending Administrative Order No. SWD-1680 until this case is heard on the merits.

(6) This case is set for hearing on October 26, 2017, 15 days from this date.

The Division concludes as follows:

(7) An Emergency Stay Order, effective for 15 days from this date, should be entered pursuant to NMSA 1978, Section 70-2-23, suspending Administrative Order No.

Case No. 15855 Order No. R-14484 Page 2 of 2

SWD-1680 and directing Alpha to take no action pursuant thereto while such order remains in effect.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Delaware Energy, LLC, the permit for Alpha SWD Operating LLC to inject into its proposed Alpha SWD No. 1 ("the proposed well" – API No. 30-015-44237 to be located 1457 feet from the South line and 2093 feet from the East line, (Unit J) of Section 10, Township 24 South, Range 28 East, Eddy County, New Mexico, evidenced by Administrative Order No. SWD-1680, is suspended during the term of this Order.

(2) This Order shall terminate at 11:59 p.m., Mountain Daylight Time, on October 25, 2017.

(3) If the hearing on the merits is continued to a date after October 26, 2017, this case shall remain on the Examiner's docket for that date for an evidentiary hearing on Applicant's Motion to Stay.

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

DONE at Santa Fe, New Mexico, on the date and year above designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

bud K. (dou

DAVID R. CATANACH Director

SEAL