

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

**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**

APR 17 2018 PM02:49

**Case No. 15855 (de novo)  
Order No. R-14484-A**

**SUPPLEMENT TO MOTION FOR JUDGMENT BASED ON THE DIVISION RECORD**

Pursuant to the Commission's request, Delaware Energy LLC ("Delaware Energy") submits this supplemental filing to its motion for judgment on the Division record and without the necessity of a hearing. In further support of its motion, Delaware Energy states:

1. In Order R-14484-A, rescinding the administrative approval of Alpha's proposed disposal well, the Division ruled solely on the legal basis that Order SWD-1680 was issued prior to the expiration of the 15-day waiting period required by NMAC 19.15.26.8(C). *See* Order R-14484-A at p. 3, ¶¶ (11)-(17).

2. In support of this legal conclusion, the Division determined from Division records, undisputed by the parties, that Alpha filed a Form C-108 application under the provisions of Division Rule 19.15.26.8 NMAC which was entered into the administrative application database by the Division on June 12, 2017 as administrative application No. pMAM1716358339. *See* Administrative Application Checklist (noting date logged in as "6-12-2017"), attached as Exhibit 1; *see also* Order R-14484-A, ¶ (13).

3. After receiving Alpha's application, the Division notified Alpha that the application "will not be placed into the administrative review process" because additional "information is required." *See* Email from M. McMillan to C. Weyand, dated June 12, 2017, attached as Exhibit 2; *see also* Order R-14484-A, ¶ (13).

4. Mr. Weyand, on behalf of Alpha, provided the additional information requested by the Division on June 19, 2017. *See* Return receipt for Surface Owner, Return Receipt for operator of Record, Affidavit of Publication, and Signed Geologist Statement (dated June 19, 2017), attached as Exhibit 3. The Division received these materials on that same day. *See* Division C-108 Review Checklist (reflecting “add request” received “6/19/2017”), attached as Exhibit 4; *see also* Order R-14484-A, ¶ (14).

5. Division Rule 19.15.26.8(C)(2) NMAC provides that “the division shall not approve an application for administrative approval until 15 days following the division’s receipt of form C-108 complete with *all* attachments including evidence of mailing as required under Paragraph (2) of Subsection B of 19.15.26.8 NMAC and proof of publication as required by Paragraph (1) of Subsection C of 19.15.26.8 NMAC. (emphasis added); *See* Order R-14484-A, ¶ (15).

6. As the Division ruled, “Having received the required documentation for a properly completed Form C-108 on June 19, 2017, the Division could not have approved an administrative order until the fifteenth day after June 19, which is July 4, 2017.” *see also* Order R-14484-A, ¶ (16).

7. The Division, however, prematurely approved the application on June 28, 2017.

8. A Commission hearing is not required to address this legal conclusion. The timeline associated with the issuance of the administrative order is not disputed and clearly evident from the Division’s records. The resulting application of that timeline to the 15-day waiting period required by NMAC 19.15.26.8(C) is a legal conclusion that likewise does not require a Commission hearing.

## CONCLUSION

For the foregoing reasons, Delaware Energy request that the Commission grant its motion and that this matter be decided as expeditiously as possible without an evidentiary hearing.

Respectfully Submitted,

**HOLLAND & HART LLP**



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Adam G. Rankin  
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505-998-4421  
505-983-6043 Facsimile  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)

**ATTORNEYS FOR DELAWARE ENERGY LLC**

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Supplement was served via electronic mail on the following parties on the 16th day of April 2018:

Gary W. Larson  
Hinkle Shanor LLP  
218 Montezuma  
Santa Fe, New Mexico 87501  
(505) 982-4554 telephone  
[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

**ATTORNEY FOR ALPHA SWD OPERATING INC.**

/s/   
Adam G. Rankin

672-207	SUBJECT	ENGINEER	672-207	5413	04/14/19/6358339
APPROVE THIS LINE FOR DIVISION USE ONLY					

*Supplied  
6/2/2019  
NO ACC 1/19  
with B. B. [unclear]  
new [unclear]*

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Production Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Case Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS-Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### (1) TYPE OF APPLICATION - Check Those Which Apply for (A)

(A) Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for (B) or (C)

(B) Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

(C) Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

(D) Other Specify \_\_\_\_\_

*-5413  
-Alpha SWD opening  
372180  
L-211  
-Alpha SWD #1  
30-01544-37  
R-00  
-Swid  
Deposition -  
Silurian  
9-7865*

### (2) NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

(A) ☐ Working, Royalty or Overriding Royalty Interest Owners

(B) ☒ Offset Operators, Leaseholders or Surface Owner

(C) ☒ Application is One Which Requires Published Legal Notice

(D) ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

(E) ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

(F) ☐ Waivers are Attached

### (3) SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

(4) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity

Chris Weyand  
Print or Type Name

*Chris Weyand*  
Signature

Consulting Engineer  
Title

6/6/2019  
Date

chris@ionquest.com  
e-mail Address

**McMillan, Michael, EMNRD**

**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, June 12, 2017 4:24 PM  
**To:** 'Chris@lonquist.com'; Steve Patten  
**Cc:** Jones, William V, EMNRD; Goetze, Phillip, EMNRD  
**Subject:** Alpha SWD Operating, LLC Alpha SWD Well No. 1

Steve

Your application that was received on June 12, 2017 will not be placed into the administrative application review process.

**The following information is required:**

- Return receipt for surface owner
- Return receipt for operator of record,
- Affidavit of publication
- Signed statement from either a geologist or engineer that there is no connection between groundwater and injection interval (a signed statement from the form C-108)

If the required information is not received within 10-days, your application will be cancelled.

Michael McMillan  
1220 South St. Francis  
Santa Fe, New Mexico  
505-476-3448  
Michael.mcmillan@state.nm.us

<p>Complete items 1, 2, and 3.          1. Print your name and address on the reverse so that we can return the card to you.          2. Attach this card to the back of the envelope, or on the front if space permits.          3. Address Mailed to:</p> <p>New Mexico Energy Minerals and Natural Resources Department          Old Conservation Division District II          811 S First Street          Santa Fe, New Mexico 87505</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9660</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>	<p>A. Signature  <i>Theresa Adams</i>          B. Print name and address on the reverse so that we can return the card to you.          C. Attach this card to the back of the envelope, or on the front if space permits.          D. Address Mailed to:</p> <p>New Mexico Energy Minerals and Natural Resources Department          Old Conservation Division District IV          1220 South Street, Frontage Drive          Santa Fe, New Mexico 87505</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9677</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>	<p>Complete items 1, 2, and 3.          1. Print your name and address on the reverse so that we can return the card to you.          2. Attach this card to the back of the envelope, or on the front if space permits.          3. Address Mailed to:</p> <p>New Mexico Energy Minerals and Natural Resources Department          Old Conservation Division District IV          1220 South Street, Frontage Drive          Santa Fe, New Mexico 87505</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9677</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>	<p>Complete items 1, 2, and 3.          1. Print your name and address on the reverse so that we can return the card to you.          2. Attach this card to the back of the envelope, or on the front if space permits.          3. Address Mailed to:</p> <p>New Mexico Energy Minerals and Natural Resources Department          Old Conservation Division District IV          1220 South Street, Frontage Drive          Santa Fe, New Mexico 87505</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9677</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>
<p>Complete items 1, 2, and 3.          1. Print your name and address on the reverse so that we can return the card to you.          2. Attach this card to the back of the envelope, or on the front if space permits.          3. Address Mailed to:</p> <p>Melander Production Company          One Lincoln Center          530 LBJ Freeway Suite 1500          Dallas, Texas 75240</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9677</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>	<p>A. Signature  <i>Deane Burns</i>          B. Print name and address on the reverse so that we can return the card to you.          C. Attach this card to the back of the envelope, or on the front if space permits.          D. Address Mailed to:</p> <p>Mr James N Phillips &amp;          Mrs James R Phillips          P O Box 148          Maligne, New Mexico 88263</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9707</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>	<p>Complete items 1, 2, and 3.          1. Print your name and address on the reverse so that we can return the card to you.          2. Attach this card to the back of the envelope, or on the front if space permits.          3. Address Mailed to:</p> <p>Mr James N Phillips &amp;          Mrs James R Phillips          P O Box 148          Maligne, New Mexico 88263</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9707</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>	<p>Complete items 1, 2, and 3.          1. Print your name and address on the reverse so that we can return the card to you.          2. Attach this card to the back of the envelope, or on the front if space permits.          3. Address Mailed to:</p> <p>Mr James N Phillips &amp;          Mrs James R Phillips          P O Box 148          Maligne, New Mexico 88263</p> <p>8530 8402 2513 7034 7238 84          7035 3660 0000 4377 9707</p> <p>PG Form 3511, July 2013 PSN 7035-00-000-0000</p>

Complete items 1, 2, and 3.  
 1. Print your name and address on the reverse so that we can return the card to you.  
 2. Attach this card to the back of the envelope, or on the front if space permits.  
 3. Address Mailed to:

COO Operating, LLC  
 One Camino Center  
 600 W. Texas Avenue  
 Bedford, Texas 76011

8530 8402 2513 7034 7238 84  
 7035 3660 0000 4377 9677

PG Form 3511, July 2013 PSN 7035-00-000-0000

EXHIBIT 3



**Affidavit of Publication**

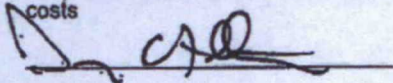
State of New Mexico,  
County of Eddy, ss

**Danny Fletcher**, being first duly  
sworn, on oath says

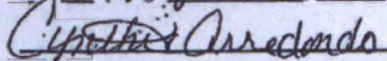
That he is the Publisher of the  
Carlsbad Current-Argus, a  
newspaper published daily at the  
City of Carlsbad, in said county of  
Eddy, state of New Mexico and of  
general paid circulation in said  
county, that the same is a duly  
qualified newspaper under the laws  
of the State wherein legal notices  
and advertisements may be  
published, that the printed notice  
attached hereto was published in the  
regular and entire edition of said  
newspaper and not in supplement  
thereof on the date as follows, to wit

June 6 2017

That the cost of publication is **\$70.15**  
and that payment thereof has been  
made and will be assessed as court  
costs



Subscribed and sworn to before me  
this 7 day of June, 2017



My commission Expires 2/13/21

Notary Public



June 6, 2017  
Alpha SWD Operating  
LLC, 4435 Sterling  
Plano, Texas 75093  
Filing Form C-108 (Ap-  
plication for Authori-  
zation to Inject) with  
the New Mexico Oil  
Conservation Division  
for administrative ap-  
proval for its salt wa-  
ter disposal well Alpha  
SWD No. 1. The propo-  
sed well will be lo-  
cated 1405' in Section  
2, 08S, 12E, in Township  
10N, 24S, Range 1E, Eddy  
County, New Mexico.  
Disposal water will be  
sourced from area  
production and will  
be injected into the  
Siluro-Devonian For-  
mation (determined  
by offset log analysis)  
through an open hole  
completion between a  
maximum applied for  
top of 14,000 feet to a  
maximum depth of  
15,200 feet. The maxi-  
mum surface injection  
pressure will not ex-  
ceed 2,800 psi with a  
maximum rate of  
132,000 BOPD. Inter-  
ested parties oppos-  
ing the action must  
file objections or re-  
quests for hearing  
with the Oil Conserva-  
tion Division, 1220  
South 14th Street, Santa Fe, New  
Mexico 87505, within  
15 days. Additional in-  
formation can be ob-  
tained from the appli-  
cant's agent, Conquist  
Co., LLC, at (512)  
600-1764 or (512) 600-1764.

**IX Proposed Stimulation Program**

No proposed stimulation program

**X Logging and Test Data on the Well**

There are no logs or test data on the well. During the process of drilling and completion resistivity, gamma ray, and density logs will be run.

**XI Chemical Analysis of Fresh Water Wells**

Cardinal Laboratories in Hobbs, New Mexico was contracted to obtain water samples from fresh water wells within 1 mile and provide chemical analysis of the samples. It was determined that all wells within the area had been plugged or were not operational.

**XII Affirmative Statement of Examination of Geologic and Engineering Data**

Based on the available engineering and geologic data we find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Chc Wyl  
6/19/2017



**Suspended** \_\_\_\_\_ **(Var 18)**

**ORDER TYPE** WFX / PMX / SWD **Number** \_\_\_\_\_ **Order Date** \_\_\_\_\_ **Legacy Permits/Orders** \_\_\_\_\_

Well No 1 Well Name(s) Alpha-S-17

API 30-0 15-44237 Spud Date TBN New or Old CE (UIC Class II Primacy 03/07/1982)

Footages 193 1528L Lot     or Unit 5 Sec 10 Tsp 24S Rge 28E County Edwards

General Location Elmle N/maacha Pool Shri Durgam-Silvayam Pool No 97865

BLM 100K Map Carlson Operator Robert L. L. DGRID Contact Chris M. Anderson

COMPLIANCE RULE 59 Total Wells 1 Inactive 0 Fincl Assur OK Compl Order 4/18 IS 59 OK? Yes Date 6-27-20

WELL FILE REVIEWED ☒ Current Status Proposed

WELL DIAGRAMS NEW Proposed ☒ or RE-ENTER Before Conv ☐ After Conv ☐ Logs in Imaging N/A

## Planned Rehab Work to Well

Well Construction Details		Size (in) Borehole / Pipe	Setting Depth (ft)	Cement Sl or Ct	Cement Top and Determination Method
Planned or Existing Surface	26/240	600'	Stage Tool	14W	Surf Elev / Visoal
Planned or Existing Interim/Prod	17 1/2 / 13 1/8	2600		14 1/2	Surf Elev / Visoal
Planned or Existing Interim/Prod	12 1/4 / 9 1/8	9700		14 1/2	Surf Elev / Visoal
Planned or Existing Prod/Liner	20 1/2 / 14 1/4	13450		370	5400 / ERL
Planned or Existing Liner					
Planned or Existing OH/PERF	1400 / 1500		1/2 in. ID 1200		

Injection Lithostratigraphic Units	Depth (ft)	Injection or Confining Units	Top
Adjacent Unit Litho Struc Per		DU	14100
Confining Unit Litho Struc Per		6100	13920
Proposed Inj Interval TOP			
Proposed Inj Interval BOTTOM			
Confining Unit Litho Struc Per			
Adjacent Unit Litho Struc Per			

Completion/Operation Details	
Drilled TO	15200 PSTD
NEW TO	NEW PSTD
NEW Open Hole or NEW Perfs	
Tubing Size	10" Inter Coated?
Proposed Packer Depth	1255 ft
Min Packer Depth	1352 ft (OO-A limit)
Proposed Max Surface Press	200 psi
Admin Inj Press	2900 (0.2 psi per ft)

**AQR Hydrogeologic and Geologic Information**

**POTASH** R-111-P Adit Method? BLM Sec Ord ☐ WIPP ☐ Nabored? Salt/Selado T NEW Cliff House fm 400

**FRESH WATER** Aquifer Quaternary Max Depth 140 **HYDRO AFFIRM STATEMENT** By Qualified Person ☐

**NMOSE** Basin Carlsbad CAPTAIN REEF thru ed NA No Wells within 1-Mile Radius? FW Analysis

Disposal Fluid Formation Source(s) Don E 3 mi. N Analysis? On Lease ☐ Operator Only ☐ or Commercial ☐

Disposal Int Inject Rate (Avg/Max BWPD) 25K/30K Protectable Waters? NA Source System Closed or Open

**HG Potential** Producing Interval? NA Formerly Producing? Method Logs/DST/P&A/Other regional 1/2-Mile Radius Pool Map ☐

**AQR Wells:** 1/2-M Radius Map? Y Well List? Total No Wells Penetrating Interval Horizontal?

Penetrating Wells No Active Wells Num Repairs? on which well(s)? Diagrams?

Penetrating Wells No P&A Wells Num Repairs? on which well(s)? Diagrams?

**NOTICE** Newspaper Date Sept 26, 2010 Mineral Owner Surface Owner Ph: 1111 N Date

**RULE 20 7(A)** Identified Tracts? Y Affected Persons CUL, W. A. T. d. m. N Date 6-06-00

**Order Conditions:** Issues