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

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

CASE NO. 15354 ORDER NO. R-14047

APPLICATION OF NW OIL SERVICES, LLC, FOR APPROVAL OF A SALT WATER DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

<u>BY THE DIVISION:</u>

This case came on for hearing at 8:15 a.m. on July 23, 2015, at Santa Fe, New Mexico, before Examiner Phillip R. Goetze.

NOW, on this 26th day of August, 2015, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and the subject matter.

(2) NW Oil Services, LLC (the "Applicant" or "NW Oil Services") seeks authority to drill and utilize its NW SWD Well No. 1 (API No. 30-015-pending; the "subject well"), located 1980 feet from the South line and 660 feet from the West line (Unit letter L) of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, for commercial disposal of produced water into the Cherry Canyon and Brushy Canyon formations of the Delaware Mountain group through a perforated interval from 3900 feet to 5700 feet below surface.

(3) On July 21, 2014, NW Oil Services submitted an administrative application to the Division for approval of this well for injection of produced water. On July 25, 2014, the Division received a notification of protest through counsel by the "Brantleys", a group consisting of Mr. George Brantley, Mr. Draper Brantley, Delaware Ranch, Inc., and the Brantley Brothers. A second notification of protest was filed by OXY USA, Inc. on July 28, 2014.

(4) With no resolution of the protests, the Division removed the application from the administrative review process and forwarded the application for the subject well to be placed on the hearing docket for July 23, 2015. All parties regarding the application received notice from the Division of the pending hearing.

(5) At hearing, neither Applicant nor any of the protesting parties appeared to submit evidence or testimony for either support of approval or denial of the application. Additionally, Applicant was not available to respond to any inquiries by the Division regarding the content of the application.

(6) The application should be dismissed.

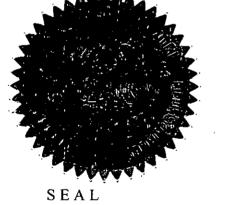
IT IS THEREFORE ORDERED THAT:

(1) The application of NW Oil Services, LLC to utilize its NW SWD Well No. 1 (API No. 30-015-pending) located 1980 feet from the South line and 660 feet from the West line (Unit letter L) of Section 7, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, as a commercial disposal well for UIC Class II fluids is hereby <u>dismissed.</u>

(2) NW Oil Services, LLC may resubmit the application for consideration through the administrative review process ensuring the application contains correct information and that new notification to affected persons has been completed.

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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DAVID R. CATANACH Director