

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

**APPLICATION OF MANZANO LLC FOR
APPROVAL OF A PERMANENT PRESSURE
MAINTENANCE PROJECT,
LEA COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

In accordance with NMAC 19.15.27.8 and Order No. R-22076, Manzano LLC (“Applicant”) (OGRID No. 231429) requests that the New Mexico Oil Conservation Division (“Division”) issue an order approving the Jenkins San Andres Pressure Maintenance Project (“Project”) as a permanent pressure maintenance project for the injection of produced gas through the Vince BGH #1 well into the San Andres formation in Section 30, Township 9 South, Range 35 East, Lea County, New Mexico. In support of its application, Applicant states the following.

1. Manzano filed its initial application (Case No. 22458) on December 7, 2021, seeking authorization to: (1) establish a pressure maintenance project for the injection of produced gas into the San Andres formation in a project area comprised of the SE/4 and E/2 NE/4 of Section 30, and the E/2 SE/4 of Section 19, Township 9 South, Range 35 East, Lea County, New Mexico; (2) convert the Vince BGH No. 1 (API No. 30-025-37104) (“Well”) from a vertical producing well to an injection well within the pressure maintenance project; and (3) inject produced gas from the Sodbuster 21 Fee #4 (API No. 30-025-43704) and Rag Mama 30-19 Fee #1 (API 30-025-44067) into the San Andres formation through a closed system using the Well.

2. On March 22, 2022, the Division entered Order No. R-22076 (“Order”) approving the Project as a pilot project.

3. The Order: (1) authorizes Manzano to inject produced gas into the San Andres formation [Jenkins San Andres pool (Code 33950)] at a true vertical depth interval from approximately 4,840 feet to approximately 4,850 feet below the surface; (2) approves a Project

Area of 320 acres, more or less, in the E/2 SE/4 of Section 19 and the SE/4 and E/2 NE/4 of Section 30, Township 9 South, Range 35 East, Lea County, New Mexico; (3) designates Manzano LLC as operator of the Project; and (4) approves Manzano's request to convert the Well from a vertical producing well to an injection well.

4. The Order states that the approved injection interval for the Project shall be the San Andres formation P-1 dolomite; where the upper vertical limit is defined by the San Andres P-1 Marker to 160 feet below the marker, as shown in the High Resolution Laterolog for the injection well dated June 8, 2005.

5. The Order also approved the Sodbuster 21 Fee #4 (API No. 30-025-43704) and Rag Mama 30-19 Fee #1 (API 30-025-44067) wells as the sources of produced gas to be used in the injection phases of the Project and limited the maximum surface injection pressure for the Well to no more than 950 psi for produced gas.

6. Paragraph 19 of the Order states:

The authorizations provided in this order shall terminate three (3) years after the approval date of this order unless the operator applies for approval of the Project as a permanent pressure maintenance project and OCD approves after a hearing on the application. The operator shall apply no later than three months prior to the termination date and shall provide a summary of the Project operation including documentation of observed benefits to production or the prevention of waste and evidence that injected fluid has not migrated beyond the horizontal and vertical boundaries of the Project Area.

7. Since the Order was issued, Manzano has operated the Project and has observed benefits to production and the prevention of waste.

8. The injected fluid has not migrated beyond the horizontal and vertical boundaries of the Project Area.

9. Therefore, pursuant to Paragraph 19 of the Order, Manzano requests that the Division issue an order approving the Project as a permanent pressure maintenance project.

10. Applicant's permanent pressure maintenance project can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

11. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests this application be set for hearing on November 7, 2024, and after notice and hearing, the Division enter an order approving the Project as a permanent pressure maintenance project.

Respectfully submitted,

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