

**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. 24927

PRE-HEARING STATEMENT

Manzano LLC ("Manzano" or "Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division ("Division").

APPLICANT

Manzano LLC

ATTORNEYS

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INTERESTED PARTY

None at this time.

ATTORNEYS

STATEMENT OF THE CASE

Manzano LLC requests that the 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. Manzano filed an 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. On March 22, 2022, the Division entered Order No. R-22076 ("Order") approving the Project as a pilot project.

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. 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.

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.

Since the Order was issued, Manzano has operated the Project and has observed benefits to production and the prevention of waste. The injected fluid has not migrated beyond the horizontal and vertical boundaries of the Project Area. 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.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
John Worrall	Geologist	Affidavit	Approx. 8

PROCEDURAL MATTERS

Applicant will present this matter by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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QUESTIONS

Action 397804

QUESTIONS

Operator: MANZANO LLC P.O. Box 1737 Roswell, NM 88202	OGRID: 231429
	Action Number: 397804
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.