

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

**APPLICATION OF LEA MIDSTREAM, LLC
FOR AUTHORIZATION TO INJECT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25413

APPLICANT'S PRE-HEARING STATEMENT

Lea Midstream, LLC (OGRID No. 333151) submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Lea Midstream

ATTORNEY

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OTHER PARTIES

None

ATTORNEY

STATEMENT OF CASE

Lea Midstream seeks an order authorizing injection of treated acid gas ("TAG") from its Lea Midstream treating facility for disposal into the proposed White Russian AGI #1 well to be located in Section 17, Township 19 South, Range 35 East, Lea County, New Mexico. This injection well will be drilled as a deviated well with a surface location of approximately 1,607 feet

from the south line (FSL) and approximately 1,991 feet from the west line (FWL) of Section 17, to a bottom hole location at approximately 2,338 from the north line (FNL) and 188 feet FWL of Section 17.

The proposed injection zone is the Siluro-Devonian formations, including the Devonian, Wristen, and Fusselman formations, between depths of approximately 14,615 to 16,029 feet. Lea Midstream seeks approval to inject up to 12 million standard cubic feet of TAG per day with an allowable operating pressure of approximately 4,593 psig. The injection stream will consist of TAG comprised of approximately 70 percent carbon dioxide and 30 percent hydrogen sulfide from oil and gas wells in the area. When operating at full capacity, the White Russian AGI #1 well will permanently sequester approximately 487 tons of carbon dioxide and approximately 162 tons of hydrogen sulfide daily.

Approving this application will safely and effectively manage the disposal of acid gas in this area, allow the completion of wells that await reliable acid gas takeaway, prevent waste, and protect correlative rights.

APPLICANT'S PROPOSED EVIDENCE

Lea Midstream has filed with the Division a Revised Form C-108 which has been marked as Lea Midstream Exhibit A. Lea Midstream will also present the following witnesses:

Chris Halfast: Mr. Halfast is the Vice President of Engineering and Construction for Producers Midstream II, LLC, the parent company of Lea Midstream, LLC. Mr. Halfast has filed a Self-Affirmed Statement marked as Lea Midstream Exhibit B.

David A. White, P.G.: Mr. White is a Petroleum Geologist with Geolex, Inc. who has previously testified before the Division. Mr. White affirmed the Revised Form C-108 filed with the Division and also submitted a Self-Affirmed Statement marked as Lea Midstream Exhibit C.

PROCEDURAL MATTERS

Lea Midstream's Revised Form C-108, marked as Exhibit A, was included in the notice packet sent to all the affected parties for this hearing. The witnesses identified above will be present at the hearing for questioning.

There is critical and immediate need for acid gas disposal options in this area. Currently, there are over 100 wells drilled on state, federal and fee lands in the service area that are not completed due to the lack of reliable acid gas takeaway and disposal capacity. A list of the uncompleted wells awaiting approval of our injection well and the operators affected has been filed as **Exhibit B-2**. Due to the immediate need for acid gas disposal in this area, Lea Midstream requests that the Division expedite consideration of this application and approve the proposed injection as soon as possible.

Respectfully submitted,

HOLLAND & HART LLP



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QUESTIONS

Action 482848

QUESTIONS

Operator: Lea Midstream, LLC 3500 Maple Ave Dallas, TX 75219	OGRID: 333151
	Action Number: 482848
	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.