

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

**APPLICATION OF OXY USA INC. FOR  
APPROVAL OF INJECTION AUTHORITY  
FOR THE MESA VERDE BONE SPRING  
RESOURCE DEVELOPMENT UNIT FOR  
ENHANCED OIL RECOVERY, EDDY AND  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25222**

**APPLICATION OF OXY USA INC. FOR  
APPROVAL OF INJECTION AUTHORITY  
FOR THE MESA VERDE WOLFCAMP  
RESOURCE DEVELOPMENT UNIT FOR  
ENHANCED OIL RECOVERY, EDDY AND  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25225**

**OXY'S CONSOLIDATED PRE-HEARING STATEMENT**

OXY USA Inc. ("OXY" or "Applicant") (OGRID No. 16696), ("OXY" or "Applicant")  
submits this Consolidated Pre-Hearing Statement, pursuant to the rules of the Oil Conservation  
Division:

**APPEARANCES**

**APPLICANT**

Oxy USA Inc.  
("Oxy")

**ATTORNEY**

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("EOG")

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Burlington Resources Oil & Gas Company,  
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("COG")

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**APPLICANT'S STATEMENT OF THE CASE**

In **Case No. 25222**, OXY seeks an order authorizing the injection of water and produced gas<sup>1</sup> for purposes of enhanced oil recovery ("EOR") within the Unitized Interval of the Mesa Verde Bone Spring Resource Development Unit area. Similarly, in **Case No. 25225**, OXY seeks an order authorizing the injection of water and produced gas<sup>2</sup> for purposes of EOR within the Unitized Interval of the Mesa Verde Wolfcamp Resource Development Unit area. The proposed Project Area for both applications is the same Mesa Verde Resource Development Unit area (Bone Spring and Wolfcamp, respectively) and consists of the following 3,461.80 acres, more or less, of federal and state lands situated in Eddy and Lea County, New Mexico:

**TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.**

Section 13: ALL

**TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.**

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<sup>1</sup> OXY's application initially requested to include carbon dioxide but is currently only seeking to inject water and produced gas.

<sup>2</sup> OXY's application initially requested to include carbon dioxide but is currently only seeking to inject water and produced gas.

Section 7: SE/4, E/2 of NE/4  
Section 8: ALL  
Section 9: W/2  
Section 16: W/2  
Section 17: ALL  
Section 18: ALL

Due to facility costs and timing associated with implementing this “huff and puff” injection project, Oxy seeks an exception from 19.15.26.12.C NMAC, which requires actual injection to occur within one (1) year of approval. Oxy requests authorization for injection to occur within two (2) years of approval. Pursuant to 19.15.26.8F(5) NMAC, OXY also requests that additional injection wells in the Unit area be approved administratively, subject to the applicable notice requirements.

In **Case No. 25222**, within the proposed project area, OXY seeks authority to inject produced gas and water for purposes of EOR into the following seven (7)<sup>3</sup> Bone Spring formation wells:

- The **Mesa Verde BS Unit 1H** (API No. 30-025-44101) with a surface hole location 271 feet FSL and 245 feet FEL (Unit P) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 335 feet FNL and 992 feet FEL (Unit A) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde BS Unit 2H** (API No. 30-025-44196) with a surface hole location 240 feet FSL and 1,614 feet FEL (Unit O) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 171 feet FNL and 1,275 feet FEL (Unit A) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;

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<sup>3</sup> OXY’s application initially requested fifteen (15) wells but is currently only seeking to include seven (7) wells as part of the initial phase of the project.

- The **Mesa Verde BS Unit 3H** (API No. 30-025-44183) with a surface hole location 240 feet FSL and 1,644 feet FEL (Unit O) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 197 feet FNL and 2,368 feet FEL (Unit B) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde BS Unit 4H** (API No. 30-025-44064) with a surface hole location 280 feet FSL and 965 feet FEL (Unit P) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 185 feet FNL and 512 feet FEL (Unit A) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde BS Unit 5H** (API No. 30-025-44185) with a surface hole location 280 feet FSL and 995 feet FEL (Unit P) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 146 feet FNL and 1,329 feet FEL (Unit B) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde BS Unit 6H** (API No. 30-025-44042) with a surface hole location 280 feet FSL and 2,624 feet FEL (Unit O) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 206 feet FNL and 2,292 feet FEL (Unit B) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico; and
- The **Mesa Verde BS Unit 7H** (API No. 30-025-44065) with a surface hole location 280 feet FSL and 2,626 feet FWL (Unit N) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 198 feet FNL and 2,139 feet FWL (Unit C) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico.

Oxy requests authority to inject water and produced gas within the Unitized Interval at up to the following maximum surface injection pressures in the respective Bone Spring zones of the

Avalon, First Bone Spring Sand (“1BSS”), Second Bone Spring Sand (“2BSS”), Third Bone Spring Sand (“3BSS”), and Third Bone Spring Lime (“3BSL”):

|             | Maximum Surface Injection Pressure (psi) |       |
|-------------|--|-------|
| Zone        | Hydrocarbon Gas                          | Water |
| Avalon      | 4,510                                    | 1,813 |
| 1BSS        | 4,810                                    | 1,949 |
| 2BSS        | 4,980                                    | 2,022 |
| 3BSS & 3BSL | 5,700                                    | 2,361 |

OXY seeks authority to add EOR wells to the proposed project by administrative approval if the well is within the Area of Review (“AOR”) previously completed, including wells that are in the First Bone Spring Sand (“1BSS”) and Third Bone Spring Lime (“3BSL”).

OXY seeks authority to inject at the following maximum and average rates:<sup>4</sup>

| Injectant       | Maximum Rate | Average Rate |
|-----------------|--------------|--------------|
| Hydrocarbon Gas | 45 MMSCFPD   | 22 MMSCFPD   |
| Water           | 6,500 bwpd   | 5,000 bwpd   |

In **Case No. 25225**, within the proposed project area, OXY seeks authority to inject produced gas and water for purposes of EOR into the following eight (8)<sup>5</sup> Bone Spring formation wells:

- The **Mesa Verde WC Unit 1H** (API No. 30-025-44195) with a surface hole location 241 feet FSL and 245 feet FEL (Unit P) in Section 17, Township 24 South,

<sup>4</sup> OXY revised the maximum injection rates for both water and produced gas from its original filing of the application and removed CO2 from the application.

<sup>5</sup> OXY’s application initially requested fifteen (15) wells but is currently only seeking to include eight (8) wells as part of the initial phase of the project.

Range 32 East, and a bottom hole location 192 feet FNL and 454 feet FEL (Unit A) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;

- The **Mesa Verde WC Unit 2H** (API No. 30-025-46110) with a surface hole location 250 feet FSL and 1,035 feet FWL (Unit M) in Section 16, Township 24 South, Range 32 East, and a bottom hole location 13 feet FNL and 2,245 feet FWL (Unit C) in Section 9, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde WC Unit 3H** (API No. 30-025-46111) with a surface hole location 250 feet FSL and 1,000 feet FWL (Unit M) in Section 16, Township 24 South, Range 32 East, and a bottom hole location 17 feet FNL and 1,294 feet FWL (Unit C) in Section 9, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde WC Unit 4H** (API No. 30-025-46112) with a surface hole location 250 feet FSL and 965 feet FWL (Unit M) in Section 16, Township 24 South, Range 32 East, and a bottom hole location 25 feet FNL and 365 feet FWL (Unit D) in Section 9, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde WC Unit 5H** (API No. 30-025-45862) with a surface hole location 280 feet FSL and 2,438 feet FWL (Unit N) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 22 feet FNL and 2,223 feet FEL (Unit B) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;

- The **Mesa Verde WC Unit 6H** (API No. 30-025-45863) with a surface hole location 280 feet FSL and 2,401 feet FWL (Unit N) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 37 feet FNL and 2,150 feet FWL (Unit C) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico;
- The **Mesa Verde WC Unit 7H** (API No. 30-025-45920) with a surface hole location 280 feet FSL and 1,421 feet FWL (Unit N) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 22 feet FNL and 1,191 feet FWL (Unit D) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico; and
- The **Mesa Verde WC Unit 8H** (API No. 30-025-45921) with a surface hole location 280 feet FSL and 1,386 feet FWL (Unit N) in Section 17, Township 24 South, Range 32 East, and a bottom hole location 35 feet FNL and 226 feet FWL (Unit D) in Section 8, Township 24 South, Range 32 East, NMPM, Lea, New Mexico.

Oxy requests authority to inject water and produced gas within the Unitized Interval at up to the following maximum surface injection pressures in the respective Wolfcamp zones of the Wolfcamp XYA (“WCXYA”) and Wolfcamp B/C (“WCB/C”):

|        | Maximum Surface Injection Pressure (psi) |       |
|--------|--|-------|
| Zone   | Hydrocarbon Gas                          | Water |
| WCXY A | 5,700                                    | 2,361 |
| WCB/C  | 6,190                                    | 2,570 |

OXY seeks authority to add EOR wells to the proposed project by administrative approval if the well is within the Area of Review (“AOR”) previously completed.

OXY seeks authority to inject at the following maximum and average rates:<sup>6</sup>

| Injectant       | Maximum Rate | Average Rate |
|-----------------|--------------|--------------|
| Hydrocarbon Gas | 45 MMSCFPD   | 22 MMSCFPD   |
| Water           | 6,500 bwpd   | 5,000 bwpd   |

Approval of these applications is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

### **APPLICANT’S PROPOSED EVIDENCE**

| <b>WITNESS<br/>Name and Expertise</b> | <b>ESTIMATED TIME</b>   | <b>EXHIBITS</b> |
|---------------------------------------|-------------------------|-----------------|
| Stephan Janacek, Petroleum Engineer   | Self-Affirmed Statement | Approx. 6       |
| Leslie Mullin, Landman                | Self-Affirmed Statement | Approx. 4       |
| Stephanie Noonan, Petroleum Geologist | Self-Affirmed Statement | Approx. 5       |
| Daniel Salamander, Reservoir Engineer | Self-Affirmed Statement | Approx. 7       |

### **PROCEDURAL MATTERS**

OXY intends to present these as consolidated cases by self-affirmed statements. Each witness will be available to respond to examination by Division Examiners. Additional witnesses may be made available depending on the nature of the Division’s questions.

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<sup>6</sup> OXY revised the maximum injection rates for both water and produced gas from its original filing of the application and removed CO2 from the application.



Additionally, both EOG and COG previously objected to these cases, but have since withdrawn their objections. As a result of the parties resolving their issues, OXY revised its initial application requests and said changes are noted in the filed hearing packets.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR OXY USA INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on August 5, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
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QUESTIONS

Action 492350

QUESTIONS

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|--|--|
| Operator:<br><br>OXY USA INC<br>P.O. Box 4294<br>Houston, TX 772104294 | OGRID:<br><br>16696  |
|  | Action Number:<br><br>492350                                 |
|  | Action Type:<br><br>[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. |