

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

RECEIVED OGD
2017 FEB -7 P 4:23

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

**APPLICATION OF FRONTIER FIELD
SERVICES, LLC FOR AUTHORITY
TO INJECT, LEA COUNTY, NEW MEXICO**

**Reopened
Case No. 14664**

**FRONTIER FIELD SERVICES, LLC'S
PRE-HEARING STATEMENT**

Frontier Field Services, LLC ("Frontier") submits its Pre-Hearing Statement as required by the Oil Conservation Commission.

APPEARANCES

Frontier is the applicant in this case. Its business address is 4200 E. Skelly Drive, #700, Tulsa, Oklahoma 74135. It is represented by the undersigned counsel.

Frontier has been informed that the Oil Conservation Division ("Division") will enter an appearance. The Division will be represented by Gabrielle A. Gerholt.

STATEMENT OF THE CASE

On August 11, 2011, the Division issued Order No. R-13443, which authorizes Frontier to inject treated acid gas ("TAG") containing hydrogen sulfide ("H₂S") and carbon dioxide from Frontier's Maljamar Natural Gas Processing Plant into its Maljamar AGI #1 well. The Maljamar AGI #1 well is located in Section 21, Township 17 South, Range 32 East in Lea County, approximately three (3) miles south of Maljamar. Order No. R-13443 authorizes Frontier to

dispose of TAG in the Lower Leonard and Wolfcamp Formations in injection intervals between 9,300 feet and 10,000 feet.

Order No. R-13443 enumerates certain conditions, including requirements that Frontier: (1) ensure that eight identified offset wells that are located within a 1.5 mile radius of the Maljamar AGI #1 well, as well as any later-completed wells within the same radius that penetrate the permitted injection interval, are equipped with H₂S flags or other safety indicators; and (2) plug any offset well within the 1.5 mile radius whose level of H₂S exceeds 100 ppm.

Frontier recently completed the Maljamar AGI #1 well, but has not yet commenced the injection of TAG. It will utilize only the Wolfcamp Formation to dispose of TAG, from approximately 9,570 feet to 10,130 feet below ground surface. As required by Order R-13443, Frontier has placed H₂S warning signs on the eight offset wells identified in the order. Frontier also has tested the H₂S levels in the offset wells, all of which are owned by other operators and are currently being operated to economically produce oil and gas and to dispose of sour produced water. Five of the offset wells have H₂S levels that exceed 100 ppm, even though Frontier has not yet commenced the injection of TAG.

On January 11, 2013, Frontier filed its Motion to Amend Order No. R-13443. Because Frontier has determined that it will not utilize the secondary injection interval in the Lower Leonard Formation, the motion requests that the Commission amend Order No. R-13443 by lowering the uppermost elevation of the permitted injection interval from approximately 9,300 feet to approximately 9,550 feet. The motion also requests the Commission to amend Order No. R-13443 by eliminating the requirement that Frontier plug any offset wells whose H₂S levels exceed 100 ppm. The wells are owned by other operators, and plugging them would result in waste and impair the operators' correlative rights.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Alberto Gutierrez (Geologist)	30 min.	2

In accordance with 19.15.4.13(B)(2) NMAC, copies of the exhibits that Frontier will offer into evidence at the hearing are attached.

PROCEDURAL MATTERS

There are no procedural matters to be resolved prior to the hearing.

HINKLE, HENSLEY, SHANOR &
MARTIN, LLP



Gary W. Larson
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com

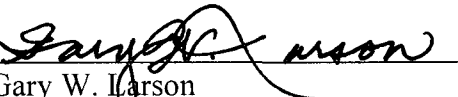
Counsel for Frontier Field Services, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of February, 2013, I served a true and correct copy of the foregoing *Frontier Field Services, LLC's Pre-Hearing Statement* via email to:

Gabrielle A. Gerholt, Esq.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Gabrielle.Gerholt@state.nm.us

Counsel for the Oil Conservation Division



Gary W. Larson