

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

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APPLICATION OF BOPCO, L.P. FOR
REVOCAION OF INJECTION
AUTHORITY UNDER ADMINISTRATIVE
ORDER SWD-542, EDDY COUNTY,
NEW MEXICO

Case No. 15231

BOPCO, L.P.'S PRE-HEARING STATEMENT

BOPCO, L.P. ("BOPCO") submits its Pre-Hearing Statement as required by the Oil Conservation Division.

APPEARANCES

BOPCO is the applicant in this case. Its business address is 201 N. Main Street, Suite 2900, Fort Worth, Texas 76102. BOPCO is represented by the undersigned counsel.

STATEMENT OF THE CASE

BOPCO's application requests an order revoking the injection authority granted to OXY USA, Inc. ("OXY") under Administrative Order SWD-542.

Administrative Order SWD-542, as subsequently amended by Division Order No. IPI-272 and Administrative Order IPI-451, authorizes OXY to utilize its SDS "11" Federal Well No. 1 (API 30-015-27627) for the disposal of produced water into the Bell Canyon member of the Delaware Mountain Group from approximately 4,508 feet to 5,498 feet through 2 7/8 inch plastic-lined tubing set in a packer located at approximately 4,408 feet. The SDS "11" Federal Well No. 1 is located 2,090 feet from the North line and 1,980 feet from the West line in Unit Letter F of Section 11, Township 24 South, Range 31 East in Eddy County.

Administrative Order SWD-542 established a maximum surface injection pressure of 902 psi for the produced water disposal well. In 2006, the injection pressure limitation was increased to 2,200 psi by Division Order No. IPI-272. The injection pressure limitation was further increased to 3,170 psi by Administrative Order IPI-451, which was issued on October 11, 2013.

BOPCO asserts that produced water injected into OXY's SDS "11" Federal Well No. 1 disposal well has migrated to four of BOPCO's producing wells in its Poker Lake Unit through a geological fracture and has adversely impacted BOPCO's production of oil from the wells, thereby impairing BOPCO's correlative rights and causing waste.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Andy Morrison (Landman)	10	Approx. 2
Brian Pregger (Geologist)	20	Approx. 6
Cary McGregor (Engineer)	20	Approx. 12

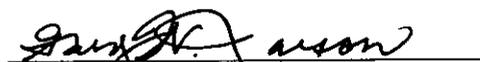
BOPCO reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

BOPCO is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

HINKLE SHANOR LLP



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Counsel for BOPCO, L.P.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 22nd day of October, 2014 I served a true and correct copy of the foregoing ***BOPCO, L.P.'s Pre-Hearing Statement*** via email to:

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Counsel for OXY USA, Inc.


Gary W. Larson