

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

**APPLICATION OF OXY USA INC. FOR A
CLOSED LOOP GAS CAPTURE INJECTION
PILOT PROJECT, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 22150

OXY’S PRE-HEARING STATEMENT

OXY USA Inc. (“Oxy”) (OGRID No. 16696) submits this Pre-Hearing Statement, pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

OXY USA Inc.

ATTORNEY

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OTHER PARTIES

MRC Permian Company

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APPLICANT’S STATEMENT OF THE CASE

Oxy seeks an order authorizing it to engage in a closed loop gas capture injection pilot project (“pilot project”) in the Bone Spring formation within a 480-acre, more or less, project area for this pilot project consisting of all of the S/2 N/2 of Section 21, and

the N/2 N/2 of Sections 28 and 29, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, by occasionally injecting produced gas into the following wells:

- The **Cedar Canyon 21 Fed Com #023H well** (API No. 30-015-44191) [Corral Draw; Bone Spring Pool (Pool Code 96238)], with a surface location 1824 feet FNL and 141 feet FWL (Unit E) in Section 21, and a bottom hole location 2177 feet FNL and 175 feet FEL (Unit H) in Section 21.
- The **Cedar Canyon 28 Fed Com #8H well** (API No. 30-015-43819) [Pierce Crossing; Bone Spring, East Pool (Pool Code 97473)], with a surface location 170 feet FNL and 319 feet FEL (Unit A) in Section 29, and a bottom hole location 448 feet FNL and 189 feet FEL (Unit A) in Section 28.
- The **Cedar Canyon 29 Fed Com #2H well** (API No. 30-015-42992) [Pierce Crossing; Bone Spring Pool (Pool Code 50371)], with a surface location 200 feet FNL and 319 feet FEL (Unit A) in Section 29, and a bottom hole location 456 feet FNL and 182 feet FWL (Unit D) in Section 29.

OXY seeks authority to utilize this producing well to occasionally inject produced gas into the Bone Spring formation at total vertical depths between approximately 8,419 feet and 8,710 feet along the horizontal portion of each wellbore at surface injection pressures of no more than 1,250 psi. The source of the produced gas will be the Bone Spring and Wolfcamp formations. The subject acreage is located approximately 9 miles southeast of Loving, New Mexico.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stephen Janacek, Engineer	Affidavit and Live	Approx. 5

	(~30 minutes)	
Tony Troutman, Geologist	Affidavit and Live (~15 minutes)	Approx. 2
Xueying Xie, Reservoir Engineer	Affidavit and Live (~30 minutes)	Approx. 2

PROCEDURAL MATTERS

Oxy intends to present this case by affidavit and through the presence of live witnesses at the hearing.

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR OXY USA INC.

CERTIFICATE OF SERVICE

I hereby certify that on September 2, 2021, I served a copy of the foregoing document to all counsel of record via Electronic Mail to:

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Attorney for MRC Permian Company

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck

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State of New Mexico
Energy, Minerals and Natural Resources
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QUESTIONS

Action 46195

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 46195
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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