

**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. 22152**

**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**

Michael H. Feldewert  
Adam G. Rankin  
Kaitlyn A. Luck  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421  
(505) 983-6043 Facsimile

**OTHER PARTIES**

None

**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 1,120-acre, more or less, project area for this pilot project consisting of the W/2 W/2 and the E/2 of Section 17, and Section 18, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, by occasionally injecting produced gas into the following wells:

- The **Patton MDP1 “17” Federal #1H well** (API No. 30-015-44459) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 170 feet FSL and 846 feet FWL (Unit M) in Section 8, and a bottom hole location 196 feet FSL and 484 feet FWL (Unit M) in Section 17.
- The **Patton MDP1 “17” Federal #4H well** (API No. 30-015-44497) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 432 feet FSL and 2,292 feet FWL (Unit N) in Section 8, and a bottom hole location 219 feet FSL and 2,158 feet FEL (Unit O) in Section 17.
- The **Patton MDP1 “17” Federal #5H well** (API No. 30-015-44444) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 834 feet FSL and 1,585 feet FEL (Unit O) in Section 8, and a bottom hole location 214 feet FSL and 1,211 feet FEL (Unit P) in Section 17.
- The **Patton MDP1 “17” Federal #176H well** (API No. 30-015-45079) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 772 feet FNL and 1,297 feet FEL (Unit A) in Section 17, and a bottom hole location 31 feet FSL and 353 feet FEL (Unit P) in Section 17.
- The **Patton MDP1 “18” Federal #1H well** (API No. 30-015-44317) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 609 feet FSL and 712 feet FWL (Lot 4) in Section 7, and a

bottom hole location 209 feet FSL and 462 feet FWL (Lot 4) in Section 18.

- The **Patton MDP1 “18” Federal #2H well** (API No. 30-015-44337) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 170 feet FNL and 1,898 feet FWL (Unit C) in Section 18, and a bottom hole location 205 feet FSL and 1,466 feet FWL (Unit N) in Section 18.
- The **Patton MDP1 “18” Federal #3H well** (API No. 30-015-44333) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 170 feet FNL and 1,928 feet FWL (Unit C) in Section 18, and a bottom hole location 200 feet FSL and 2,513 feet FWL (Unit N) in Section 18.
- The **Patton MDP1 “18” Federal #5H well** (API No. 30-015-44273) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 150 feet FNL and 285 feet FEL (Unit A) in Section 18, and a bottom hole location 20 feet FSL and 402 feet FEL (Unit P) in Section 18.
- The **Patton MDP1 “18” Federal #7H well** (API No. 30-015-44272) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 150 feet FNL and 255 feet FEL (Unit A) in Section 18, and a bottom hole location 51 feet FSL and 1,035 feet FEL (Unit P) in Section 18.

- The **Patton MDP1 “18” Federal #23H well** (API No. 30-015-44316) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 335 feet FNL and 2,122 feet FEL (Unit B) in Section 18, and a bottom hole location 192 feet FSL and 2,212 feet FEL (Unit O) in Section 18.
- The **Patton MDP1 “18” Federal #33H well** (API No. 30-015-44338) [Cotton Draw; Bone Spring Pool (Pool Code 13367)], with a surface location 335 feet FNL and 2,062 feet FEL (Unit B) in Section 18, and a bottom hole location 126 feet FSL and 1,350 feet FEL (Unit O) in Section 18.

OXY seeks authority to utilize this producing well to occasionally inject produced gas into the Bone Spring formation at total vertical depths between approximately 8,828 feet and 10,238 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 17 miles east of Loving, New Mexico.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Stephen Janacek, Engineer	Affidavit and Live (~30 minutes)	Approx. 5
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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Michael H. Feldewert  
Adam G. Rankin  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR OXY USA INC.**

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 46200

**QUESTIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 46200
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<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>