

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

**APPLICATION OF MANZANO LLC
FOR APPROVAL OF A PRESSURE
MAINTENANCE PROJECT AND
AUTHORIZATION TO INJECT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22357

PRE-HEARING STATEMENT

Manzano LLC (“Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT
Manzano LLC

ATTORNEYS
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INTERESTED PARTIES
No other parties of record

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks an order: (1) approving a pressure maintenance project for the injection of produced gas through the Vince BGH #1 well into the San Andres formation in a project area (“Project Area”) comprised of the SE/4 of Section 30, Township 9 South, Range 35 East, NMPM, Eddy County, New Mexico; and (2) authorizing Manzano to convert the Vince BGH #1 well from a producer to an injector. Applicant operates the following described wells within or near the

Project Area: the Sodbuster 21 Fee #4H (API 30-025-43704) with a surface hole location at 200 FSL, 1650 FWL of Section 21 and a bottom hole location at 330 FNL, 1650 FWL of Section 21; the Rag Mama 30-19 Fee #1 (API 30-025-44067) with a surface hole location at 25 FSL, 528 FEL of Section 30 and a bottom hole location at 2303 FSL, 394 FEL of Section 19; and The Vince BGH No. 1H (API No. 30-025-37104) located at 1980 FSL, 1750 FEL (Unit J) of Section 30.

The wells are currently producing from the Jenkins San Andres Pool (Pool No. 33950). Applicant proposes to convert its Vince BGH No. 1H well from a producer into an injection well for pressure maintenance operations. Applicant plans to inject produced gas from the Sodbuster 21 Fee #4 and Rag Mama 30-19 Fee #1 into the San Andres formation through a closed system using the Vince BGH No. 1H. Applicant does not anticipate compatibility issues. The injection interval of the Vince BGH No. 1H is 4840 feet to 4850 feet. Injection will provide pressure maintenance support for the Rag Mama 30 19 Fee #1 well and will also attempt to eliminate flaring.

The expected average injection rate of produced gas into the Vince BGH No. 1H is 150 MCFGPD. The expected maximum injection rate is 1,000 MCFGPD to provide Manzano the option to inject more gas as the GOR increases or if Manzano drills additional wells in the Jenkins San Andres Pool. The expected average injection pressure of produced gas into the Vince BGH No. 1H is 500 psi and the proposed maximum injection pressure is 950 psi. Applicant's proposed pressure maintenance project can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment. The wells are located approximately 3 miles west of Crossroads, New Mexico.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Nick C. McClelland	Landman	Affidavit	Approx. 4
John Worrall	Geologist	Affidavit	Approx. 4
Michael Hannigan	Reservoir Engineer	Affidavit	Approx. 2

PROCEDURAL MATTERS

Applicant will present its case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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

QUESTIONS

Action 62981

QUESTIONS

Operator: MANZANO LLC P.O. Box 1737 Roswell, NM 88202	OGRID: 231429
	Action Number: 62981
	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>