

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

**APPLICATION OF TARGA NORTHERN
DELAWARE LLC FOR AUTHORIZATION
TO INJECT, LEA COUNTY, NEW MEXICO**

CASE NO. 23649

**OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

The New Mexico Oil Conservation Division ("OCD") submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD intervened in this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

Targa Northern Delaware LLC ("Targa") seeks approval to inject treated acid gas into the proposed Red Hills AGI #003 well ("AGI 3"). AGI 3 is an Underground Injection Control Class II well subject to 19.15.26 NMAC. The proposed injection interval within the Delaware Mountain Group constitutes 'shallow injection.' The proposed injection interval could, generally, present challenges for future oil and gas development and production from underlying intervals. OCD assesses such applications for potential impacts to correlative rights, the potential for waste, and impacts to efficient development. For these considerations, OCD supports the terms of the proposed Order, submitted to the Oil Conservation Commission ("OCC") on August 10, 2023, which limits the term of injection authority to twenty years and imposes milestone reporting requirements upon Targa. Conditions requested by OCD at the July 13, 2023 OCC Meeting in this case are withdrawn.

III. PROPOSED EVIDENCE

OCD intends to make Million Gebremichael available for questions.

Exhibit 1 – Curriculum Vitae of Million Gebremichael

IV. PROCEDURAL MATTERS

OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

/s/ Jesse K. Tremaine

Jesse Tremaine

Assistant General Counsel

New Mexico Energy Minerals and Natural

Resources Department

1220 S. St. Francis Drive

Santa Fe, New Mexico 87505

(505) 231-9312

jessek.tremaine@state.nm.us

CERTIFICATE OF SERVICE

I hereby certify that a copy of this pleading was mailed electronically on August 10, 2023, to:

Michael Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

*Attorneys for Conoco Phillips Company,
Matador Production Company, &
EOG Resources, Inc.*

Dana S. Hardy
Jaclyn M. McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554
(505) 982-8263
dhardy@hinlelawfirm.com
jmclean@hinklelawfirm.com

Counsel for Targa Northern Delaware, LLC

/s/ Jesse K. Tremaine
Jesse Tremaine