

**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, LEA COUNTY, NEW
MEXICO.**

CASE NO. 22088

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
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Kaitlyn A. Luck
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OTHER PARTIES

MRC Permian Company and
Matador Production Company

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
505-982-2043

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 in the Red Tank; Bone Spring, East Pool (Pool Code 51687), within a 1,280-acre, more or less, project area for this pilot project consisting

of all of Sections 30 and 31, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico, by occasionally injecting into the following wells:

- The **Avogato 30_31 State Com #11H well** (API No. 30-025-45956), with a surface location 160 feet FNL and 885 feet FWL (Lot 1) in Section 30, and a bottom hole location 50 feet FSL and 600 feet FWL (Lot 4) in Section 31.
- The **Avogato 30_31 State Com #13H well** (API No. 30-025-45958), with a surface location 160 feet FNL and 2375 feet FEL (Unit B) in Section 30, and a bottom hole location 17 feet FSL and 2905 feet FEL (Unit N) in Section 31.
- The **Avogato 30_31 State Com #14H well** (API No. 30-025-45959), with a surface location 160 feet FNL and 2340 feet FEL (Unit B) in Section 30, and a bottom hole location 160 feet FSL and 2340 feet FEL (Unit O) in Section 31.

OXY seeks authority to utilize this producing well to occasionally inject produced gas into the Bone Spring formation at total vertical depths of between approximately 9,330 feet to 9,540 feet along the horizontal portion of each wellbore at surface injection pressures of no more than 1,200 psi. The source of the produced gas will be the Bone Spring and Wolfcamp formations. The subject acreage is located approximately 30 miles northwest of Jal, New Mexico.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stephen Janacek, Engineer	Affidavit and Live (~30 minutes)	Approx. 5
Peter Senior, 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 and intends to pre-file its affidavits and additional exhibits on August 3, 2021.

Respectfully submitted,

HOLLAND & HART LLP



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ATTORNEYS FOR OXY USA INC.

CERTIFICATE OF SERVICE

I hereby certify that on July 29, 2021, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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State of New Mexico
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1220 S. St Francis Dr.
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QUESTIONS

Action 38850

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 38850
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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