

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

**APPLICATION OF MILESTONE ENVIRONMENTAL
SERVICES, LLC TO AMEND ORDER NOS. R-21441/SWD-2034
AND IPI-536 TO INCREASE THE APPROVED
INJECTION RATE FOR THE BEAZA SWD NO. 1,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25801

PRE-HEARING STATEMENT

Milestone Environmental Services, LLC (“Milestone” or “Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

Milestone Environmental Services, LLC

ATTORNEYS

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INTERESTED PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

Milestone seeks an order authorizing it to increase the rate of injection through its Beaza SWD #1 (API 30-025-49600) (“Well”) from 10,000 to 20,000 barrels per day. The well is located 160 feet from the East line and 2480 feet from the North line (Unit H) in Section 25, Township 24 South, Range 34 East, NMPM in Lea County, New Mexico. The Well is a commercial produced water disposal well approved under Order Nos. R-21441 and SWD-2034 to inject into the Bell

Canyon and Cherry Canyon formations through perforations from 5,497 feet to 7,240 feet below the surface at a maximum surface injection pressure of 2,000 psi.

Order No. R-21441 approved a maximum injection rate of 10,000 bpd but states that “the Director may authorize an increase in the injection rate upon a proper showing by the Operator of the subject well that such an increase in injection rate shall not result in a pressure that exceeds the formation parting pressure nor result in migration of the disposed fluid from the approved injection interval.” The proposed increased injection rate will not result in a pressure that exceeds the formation parting pressure or result in migration of the disposed fluid from the approved injection interval. Milestone seeks to increase the maximum daily rate of injection to provide additional disposal capacity, which is necessary to serve its customers.

All other conditions of the approved permit under Order Nos. R-21441/SWD-2034 and IPI-536 would remain unchanged.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Jason Larchar	Vice President of Engineering	Affidavit	Approx. 5
Adam Haecker	Director of Geoscience	Affidavit	Approx. 10

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no objection to its application.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 539010

QUESTIONS

Operator: Milestone Environmental Services, LLC 840 Gessner Road Houston, TX 77024	OGRID: 328435
	Action Number: 539010
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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