

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

**APPLICATION OF TRACE DELAWARE
TREATING SERVICES, LLC FOR AUTHORIZATION
TO INJECT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 26074

PRE-HEARING STATEMENT

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

APPLICANT

Trace Delaware Treating Services, LLC

ATTORNEYS

Dana S. Hardy
Jaclyn M. McLean
Jaime R. Fontaine
Yarithza Peña
HARDY MCLEAN LLC
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INTERESTED PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

Trace seeks authorization to drill, complete, and operate an acid gas injection (“AGI”) well, the Hatch AGI #1 well (“Well”), at its Trace Delaware Heritage Treating Facility, to be located in Eddy County, New Mexico. The Well will be deviated and directionally drilled from a surface hole located at approximately 458’ FSL and 2,527’ FWL (Unit O) to a bottom hole located approximately 2,484’ to the northeast (Unit I) in Section 31, Township 18 South, Range 31 East.

The Well will inject treated acid gas into the Siluro-Devonian formations, including the Devonian, Wristen, and Fusselman formations, at depths of approximately 13,341 to 14,226 feet. Trace is requesting a maximum daily injection rate of 12 million standard cubic feet per day (MMscf/D). The Well’s maximum surface injection pressure will be approximately 4,445 pounds per square inch gauge.

The Well, as proposed in the C-108, will not cause waste, impair correlative rights, or harm public health or the environment, including through the risk of induced seismicity. In addition, the Well will facilitate the sequestration of CO₂ and TAG, which is in the public interest. Accordingly, Trace’s application for the Well comports with the requirements of the Oil and Gas Act and the Division’s regulations and should be approved.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
David A. White	Vice President and Senior Geologist, Geolex	Affidavit	Approx. 2
David Dell’Osso	Cofounder & Chief Operating Officer, Trace	Affidavit	Approx. 1

PROCEDURAL MATTERS

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

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy _____

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Oil Conservation Division
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QUESTIONS

Action 580358

QUESTIONS

Operator: Trace Delaware Treating Services, LLC 840 Gessner Rd Houston, TX 77024	OGRID: 334091
	Action Number: 580358
	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>