

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

**APPLICATION OF HPPC, INC. FOR APPROVAL OF
A LEASE PRESSURE MAINTENANCE PROJECT
LEA COUNTY, NEW MEXICO**

Case No. 16455

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Opponent as required by the Oil Conservation Division under 19.15.4.13 (B) NMAC.

APPEARANCES

APPLICANT

HPPC, Inc.

APPLICANT'S ATTORNEY

James Bruce

OPPONENTS

New Mexico State Land Office

OPPONENT'S ATTORNEY

Katherine M. Moss

STATEMENT OF THE CASE

APPLICANT

Case No. 16455: Applicant seeks approval to inject produced water into the Abo formation at depths of 8887-8928 feet subsurface in Leas 946 State Well No. 1, located 1980 feet from the north line and 660 feet from the west line (Unit E) of Section 2. The expected injection rate is 500 BWPD, and the maximum injection pressure to 1777 psi.

This application was received by the State Land Office (SLO) Oil Gas and Minerals Division who, having reviewed the C-108 and reviewed the surrounding wells, (See Attachment A) have concluded that conversion of this oil well to water injection will caused damage to state trust lands and that lands beneficiaries the State Land Beneficiary. Such injection will drive oil from the State Trust Lands to Fee lands without any benefit to the State Land Beneficiary (see: attached SLO map markup by AEH).

PROPOSED EVIDENCE

APPLICANT

The State Land Office has not received notice of witnesses or exhibits that will be presented by the Applicant.

STATE LAND OFFICE

WITNESSES

EST. TIME

EXHIBITS

Anchor Holm
Niranjan Khalsa

30 min
15 min

Approx. 6
Approx. 3

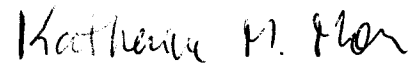
OTHER OPPONENTS

The State Land Office has not received notice of witnesses or exhibits that will be presented by the other opponent.

PROCEDURAL MATTERS

No procedural matters have been identified that are to be resolved prior to the hearing.

Respectfully submitted,

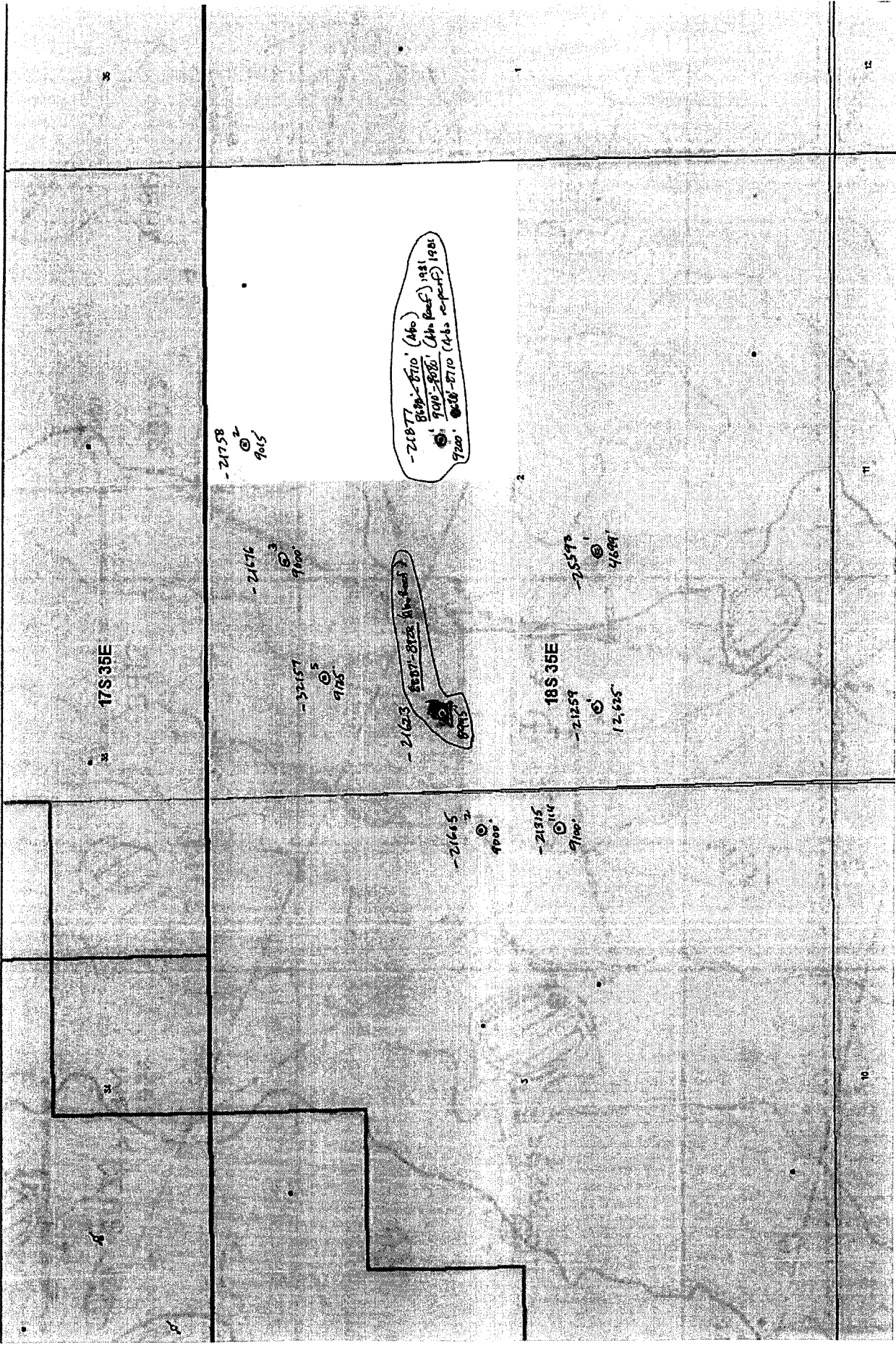


Katherine M. Moss
Associate General Counsel
New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148
(505) 827-5713

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 11th day of October, 2018 on the attached Exhibit A.

Katherine M. Moss
Katherine M. Moss



-21877
8100' - 8710' (4th)
900' - 908' (4th floor) 1981
9200' - 8108' - 8710' (4th report) 1981

-21603
8100' - 8710' (4th floor) 1981

AEH/EM
Request to interview

Exhibit A

Chevron U.S.A. Inc.
6301 Deauville Boulevard
Midland, Texas 79706

OXY USA Inc.
Suite 110
5 Greenway Plaza
Houston, Texas 77046

Antelope Creek Realty &
Exploration Services, LLC
Suite 201
12354 East Caley Avenue
Centennial, Colorado 8011

Legacy Reserves Operating, LP
P.O. Box 10848
Midland, Texas 79702

Matador Production Company
Suite 1500
5400 LBJ Freeway
Dallas, Texas 75240

ConocoPhillips Company
600 North Dairy Ashford
Houston, Texas 77079