

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

**APPLICATION OF LUCID ENERGY DELAWARE,
LLC FOR AUTHORIZATION TO INJECT,
LEA COUNTY, NEW MEXICO.**

Case No. 20779

**LUCID ENERGY DELAWARE, LLC'S
PRE-HEARING STATEMENT**

Lucid Energy Delaware, LLC ("Lucid") submits its Pre-Hearing Statement as required by the rules of the Oil Conservation Commission.

APPEARANCES

APPLICANT

Lucid Energy Delaware, LLC

APPLICANT'S ATTORNEYS

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INTERVENOR

Oil Conservation Division

INTERVENOR'S ATTORNEY

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STATEMENT OF THE CASE

Lucid’s application requests an order authorizing Lucid to inject treated acid gas composed of 87% CO₂, 12% H₂S, and traces of light hydrocarbons (C1-C8) (“TAG”) from its Red Hills Gas Processing Plant into the proposed Red Hills AGI #2 well. The proposed well will be located in Section 13, Township 24 South, Range 33 East in Lea County. Lucid requests approval to drill and complete the Red Hills AGI #2 well for the injection of TAG into the Devonian and Upper Silurian Wristen and Fusselman formations, at depths of approximately 16,000 to 17,600 feet. Lucid further requests approval of a maximum daily injection rate of 13 MMSCFD and a maximum operating surface pressure of 4,838 psig.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Matthew Eales (Engineer)	15 minutes	2
Alberto Gutierrez (Geologist)	40 minutes	2
David White (Geologist)	20 minutes	0
William Ampomah (Engineer)	40 minutes	2

Lucid reserves the right to call a rebuttal witness(es) if appropriate. In accordance with 19.15.4.13.B.2 NMAC, copies of the exhibits that Lucid proposes to offer in evidence at the hearing are attached.

PROCEDURAL MATTERS

Matador and EOG had initially objected to the approval of Lucid’s application but withdrew their objections after consulting with Lucid’s technical and management team. This was a result of efforts by all parties, including the Division, to resolve any concerns with the proposed location. Lucid is not aware of any other procedural matters to be resolved prior to the hearing.

Respectfully submitted,

HINKLE SHANOR LLP

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Counsel for Lucid Energy Delaware, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 27th day of August, 2020 I served a true and correct copy of *Lucid Delaware Energy, LLC’s Pre-Hearing Statement* on the following counsel of record by electronic mail:

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/s/ Dana S. Hardy
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