

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

**APPLICATION OF DCP MIDSTREAM, LP  
FOR AUTHORIZATION TO INJECT ACID  
GAS INTO THE ARTESIA AGI #2 WELL,  
SECTION 7, TOWNSHIP 18 SOUTH, RANGE  
28 EAST, N.M.P.M., EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 15127**

**PRE-HEARING STATEMENT OF DCP MIDSTREAM, LP**

This Pre-hearing Statement is submitted on behalf of DCP Midstream, LP as required by Oil Conservation Division Rule 19.15.4.13.B NMAC:

**APPEARANCES OF PARTIES**

**APPLICANT**

**DCP Midstream, LP**

**ATTORNEYS**

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**STATEMENT OF THE CASE**

Applicant DCP Midstream, LP seeks an order from the New Mexico Oil Conservation Commission authorizing it to inject acid gas and carbon dioxide (CO<sub>2</sub>) from the Artesia Gas Processing Plant (the "Plant") into its proposed Artesia AGI No. 2 well. The proposed Artesia AGI No. 2 well will be located 1,180 feet from the South line and 2,035 feet from the East line (Unit O) of Section 7, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. The Applicant proposes to inject treated acid gas for disposal into the Lower San Andres, Glorieta and Upper Yeso formations, at an approximate depth of 4,300 feet below the surface, under a maximum allowable operating pressure of 1,704 psig for treated acid gas only and 916 psig for injection of waste water only. The proposed well will serve as the primary

disposal well for acid gas and CO<sub>2</sub> from the Plant and the original AGI No. 1 well will function as a back-up and redundant well. The proposed well is located approximately 6 miles Southwest of Riverside, New Mexico.

**PROPOSED EVIDENCE**

DCP Midstream, LP may present the following witnesses and evidence:

<b><u>WITNESSES:</u></b> (Name and Expertise)	<b><u>ESTIMATED TIME</u></b>	<b><u>EXHIBITS</u></b>
<b>Russell G. Ortega, Asset Director, DCP Midstream, LP</b>	<b>Approx. 10 minutes</b>	<b>1 Exhibit</b> consisting of a Power Point presentation summarizing testimony

Mr. Ortega is expected to testify on the need for the proposed Artesia No. 2 acid gas injection well, importance and benefits of the proposed well, and why DCP requests the Oil Conservation Commission approve the C-108 as proposed.

<b>Alberto Gutiérrez, Registered Geologist, Geolex, Inc.</b>	<b>Approx. 2 hours</b>	<b>3 Exhibits</b> (1) the C-108 filed with the Commission as the Application; (2) Mr. Gutiérrez’s Power Point presentation; and (3) documentation of notices provided to parties in area of review
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Mr. Gutiérrez will testify on the technical aspects of the proposed Artesia No. 2 well necessary to receive approval from the Commission for authorization to inject. In doing so, Mr. Gutiérrez will review DCP Midstream, LP’s C-108 application for authorization to inject, including the basis and need for the Artesia No. 2 injection well. Mr. Gutiérrez’s review of the C-108 will include a discussion, referring to corresponding exhibits, of the well data for the proposed well, all the wells and leases within a one-mile radius of the proposed injection well, and a tabulation of the well data for all wells within the one-half-mile area of review that penetrate the proposed injection zone. This discussion will include testimony regarding the proposed location for the well. He will further testify regarding the geologic and hydrologic characteristics of the target injection zone. Mr. Gutiérrez will testify regarding water wells and oil and gas wells within the vicinity of the proposed injection well and factors that mitigate against potential adverse impacts. Mr. Gutierrez also will testify whether well operations will result in waste or will impair correlative rights. Finally, Mr. Gutiérrez will testify regarding land-use issues and notice to affected parties.

**Any additional witnesses necessary to rebut testimony offered by any other party.**

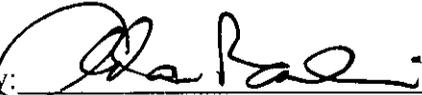
**Any additional exhibits necessary to rebut testimony provided by any other party.**

**PROCEDURAL MATTERS**

The parties to Case Nos. 15044 and 15035 before the Commission have consented to DCP putting its case on first because all parties expect that DCP's case can be completed by noon.

*Respectfully submitted,*

HOLLAND & HART LLP

By:  \_\_\_\_\_

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