

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

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**APPLICATION OF KEY ENERGY  
SERVICES, LLC FOR APPROVAL  
OF A SALT WATER DISPOSAL WELL,  
EDDY COUNTY, NEW MEXICO**

Case No. 15322

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**PRE-HEARING STATEMENT OF KEY ENERGY SERVICES, LLC**

Key Energy Services, LLC (“Key”) submits its Pre-Hearing Statement as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Key Energy Services, LLC  
1301 McKinney, Suite 1800  
Houston, TX 77010

**ATTORNEY**

Gary W. Larson  
Hinkle Shanor LLP  
Post Office Box 2068  
Santa Fe, NM 87504  
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[glarson@hinklelawfirm.com](mailto:glarson@hinklelawfirm.com)

**OPPONENTS**

BC Operating, Inc.  
Post Office Box 50820  
Midland, TX 79710

and

Crown Oil Partners V, L.P.  
400 North Big Spring Street  
Suite 310  
Midland, TX 79705-4628

**ATTORNEYS**

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**STATEMENT OF THE CASE**

Key seeks an order authorizing it to inject produced water into the Grace Carlsbad No. 1 well (API 30-015-20573) for disposal. The well is located 1,980 feet from the south line and 660 feet from the east line of Section 36, Township 22 South, Range 26 East, N.M.P.M., in Eddy County. Key proposes to inject produced water into the Brushy Canyon formation of the Delaware Mountain Group through perforations from 4,082 feet to 5,200 feet subsurface.

**PROPOSED EVIDENCE**

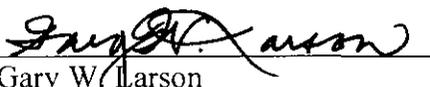
<b><u>WITNESS</u></b>	<b><u>ESTIMATED TIME</u></b>	<b><u>EXHIBITS</u></b>
Wayne Price (Engineer)	15 min.	Approx. 4
Steve Pattee (Engineer)	15 min.	Approx. 5
Brian Davis (Engineer)	15 min.	Approx. 5
Alberto Gutierrez (Geologist)	15 min.	Approx. 9

Key reserves the right to call a rebuttal witness(es) if necessary.

**PROCEDURAL MATTERS**

Key is not aware of any procedural matters to be resolved prior to the hearing.

HINKLE SHANOR LLP

  
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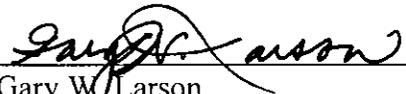
Certificate of Service

I hereby certify that I caused a true and correct copy of the foregoing *Pre-Hearing Statement of Key Energy Services, LLC* to be sent via electronic transmission on the 16<sup>th</sup> day of July, 2015 to the following:

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*Counsel for BC Operating, Inc. and  
Crown Oil Partners V, L.P.*

  
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Gary W. Larson