

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

**APPLICATION OF LIGHTNING DOCK
GEOTHERMAL HI-01, LLC FOR APPROVAL
TO INJECT INTO A GEOTHERMAL AQUIFER
THROUGH THREE PROPOSED GEOTHERMAL
INJECTION WELLS AT THE SITE OF THE
PROPOSED LIGHTNING DOCK GEOTHERMAL
POWER PROJECT, HIDALGO COUNTY, NEW
MEXICO**

CASE NO. 15357

**APPLICATION OF LIGHTNING DOCK
GEOTHERMAL HI-01, LLC TO PLACE WELL
NO. 63A-7 ON INJECTION-GEOTHERMAL
RESOURCES AREA, HIDALGO COUNTY, NEW
MEXICO**

CASE NO. 15365

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PRE-HEARING STATEMENT

Lightning Dock Geothermal HI-01, LLC (“Lightning Dock”), by and through its attorney Michelle Henrie of Michelle Henrie, LLC, respectfully asks the Oil Conservation Commission (“Commission”) to grant its pending applications for injection wells.

Statement of the Case

Lightning Dock asks the Commission to grant its pending form G-112s. These pending form G-112s request permission to drill new injection wells for use in connection with Lightning Dock’s geothermal power plant located in Section 7, Township 25 South, Range 19 West, Hidalgo County, New Mexico.

In support of its G-112 applications, Lightning Dock states:

1. Lightning Dock owns and operates a utility-scale binary (two closed loops) geothermal power plant. The power plant generates base-load renewable electricity which is sold to Public Service Company of New Mexico (PNM).
2. Lightning Dock seeks to drill new injection wells. Through Lightning Dock’s injection wells, geothermal fluid that has already passed through the power plant’s heat exchanger are re-injected into the geothermal reservoir to be reheated for future re-use.

3. Proposed Well 13-7 is located in Unit E, 1537 FNL and 504 FWL, Section 7, Township 25 South, Range 19 West, Hidalgo County, New Mexico.

4. Proposed Well 15-8 is located in Unit L, 2141 FSL and 345 FWL, Section 8, Township 25 South, Range 19 West, Hidalgo County, New Mexico.

5. Proposed Well 76-7 is located in Unit I, 1896 FSL and 1128 FEL, Section 7, Township 25 South, Range 19 West, Hidalgo County, New Mexico.

6. Proposed Well 63A-7 is located in Unit G, 1934 FNL and 1403 FEL, Section 7, Township 25 South, Range 19 West, Hidalgo County, New Mexico.

7. The regulatory criteria for granting an injection well application, 19.14.93.8 NMAC, is stated in full at Exhibit A.

8. The Commission should grant Lightning Dock's applications because Lightning Dock submitted the applications to the Division via form G-112 in duplicate as required by 19.14.93.8(A) NMAC.

9. The Commission should grant Lightning Dock's applications because the application for each well included the following information as required by 19.14.93.8(A) NMAC.

a. A plat (a) showing the location of the proposed injection well and the location of all other wells within a radius of one mile from said well, and indicating the perforated or open-hole interval in each of said wells and (b) indicating the ownership of all geothermal leases within said one-mile radius;

b. The log of the proposed injection well, if available;

c. A diagrammatic sketch of the proposed injection well showing casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open-hole interval, tubing strings, including diameters and setting depths, and the type and location of packers, if any.

10. The Commission should grant Lightning Dock's applications because copies of the form G-112 (without the above attachments) were sent to all other geothermal lease owners, if any there be, within a one-half mile radius of the proposed injection well as required by 19.14.93.8(B) NMAC.

11. The Commission should grant Lightning Dock's applications because all geothermal fluids produced for geothermal power plant operations are reinjected to the same

geothermal reservoir from which they was produced, thus conserving the geothermal reservoir and preventing waste as required by 19.14.93.8(C) NMAC.

12. The Commission should grant Lightning Dock's applications because doing so preserves and protects the respective parties' correlative rights as required by 19.14.93.8(C) NMAC.

13. The Commission should grant Lightning Dock's applications because the applications establish that these wells will be cased, cemented, and equipped in such a manner that there will be no danger to any natural resource, including geothermal resources, useable underground water supplies, and surface resources.

14. The Commission should grant Lightning Dock's applications because the proposed injections will not contaminate any underground source of drinking water or otherwise cause the waters of the State of New Mexico to exceed applicable water quality standards.

Lightning Dock's Pre-Hearing Disclosures

A. Lightning Dock may call the following witnesses to testify or rebut:

1. David W. Janney, PG, Geo Science Solutions
2. Monte C. Morrison, PE, EMT, Cyrq Energy, Inc.
3. Roger L. Bowers, Roger Bowers & Associates
4. Gregory P. Miller, Ph.D., Geochemical, LLC. Dr. Miller may testify as an expert witness hydrogeochemist.
5. John W. Shomaker, Ph.D., John Shomaker & Associates, Inc. Dr. Shomaker may testify as an expert witness hydrogeologist and/or geologist.

B. Lightning Dock anticipates that it needs approximately four hours to present its case.

C. Copies of exhibits that Lightning Dock proposes to offer in evidence at the hearing are attached hereto, Exhibits 1-10.

Procedural Issues

1. Lightning Dock has no objection to the Division's proposed Conditions of Approval.
2. Lightning Dock has submitted an Amended Proposed Order. Lightning Dock respectfully asks the Commission to consider this Order and the precedent that the Commission sets if it proceeds with this hearing.

3. The Commission should place time limits on the parties' presentations.
4. Lightning Dock objects to post-hearing briefing. The Commission should order the parties to bring to the hearing Proposed Findings of Fact / Conclusions of Law.
5. Lightning Dock objects to the Hidalgo Soil & Water Conservation District participating in this proceeding as a party. By statute, the District has no role in "oil, gas and other minerals underlying the land." NMSA 1978 Section 73-20-27(I).

Respectfully Submitted,

MICHELLE HENRIE, LLC

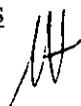
A handwritten signature in black ink, appearing to read 'MH', with a long horizontal line extending to the right.

Michelle Henrie
P.O. Box 7035
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Attorney for Lightning Dock Geothermal HI-01, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing pleading was served as follows on September 3, 2015:

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Michelle Henrie

Exhibit A

19.14.93.8 METHOD OF MAKING APPLICATION

A. Application for authority to inject fluids into a geothermal reservoir or to dispose of geothermal waters into a zone or formation not classified as a geothermal reservoir shall be made in duplicate on division form G-112, application to place well on injection-geothermal resources area, and shall be accompanied by one copy of each of the following:

(1) A plat showing the location of the proposed injection/disposal well and the location of all other wells within a radius of one mile from said well, and indicating the perforated or open-hole interval in each of said wells. The plat shall also indicate the ownership of all geothermal leases within said one-mile radius;

(2) The log of the proposed injection well, if available;

(3) A diagrammatic sketch of the proposed injection well showing casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open-hole interval, tubing strings, including diameters and setting depths, and the type and location of packers, if any.

B. Copies of the form G-112 (without the above attachments) shall be sent to all other geothermal lease owners, if any there be, within a one-half mile radius of the proposed injection/disposal well.

C. If no objection is received within 20 days from the date of receipt of the application, and the division director is satisfied that all of the above requirements have been complied with, that the proposal is in the interest of conservation and will prevent waste and protect correlative rights, and that the well is cased, cemented, and equipped in such a manner that there will be no danger to any natural resource, including geothermal resources, useable underground water supplies, and surface resources, form G-112 will be approved. In the event the form is not approved because of objection from an affected geothermal lease owner or for other reason, the application will be set for public hearing, if the applicant so requests.

D. The division director may dispense with the 20-day waiting period if waivers of objection are received from all geothermal lease owners within a one-half mile radius of the proposed injection/disposal well.