

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

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

CASE NO. 20409

APPLICATION OF 3BEAR FIELD SERVICES, LLC FOR AUTHORITY TO INJECT,
LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT

The Oil Conservation Division through its counsel files the following Pre-hearing Statement.

PARTIES AND ATTORNEYS

APPLICANT

3Bear Field Services, LLC

APPLICANT'S ATTORNEYS

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INTERVENOR

Oil Conservation Division

INTERVERNOR'S ATTORNEY

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STATEMENT OF THE CASE

3Bear Field Services, LLC (3Bear) has filed an application for authorization to inject acid gas and residual carbon dioxide (combined described as treated acid gas (TAG)) from the proposed 3Bear Libby Gas Processing Plant into two proposed UIC Class II disposal wells: the Libby AGI No. 1 and the Libby AGI No. 2 wells. The proposed acid-gas injection wells are to be located in Section 26, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. 3Bear plans to inject a cumulative amount totaling 8 million standard cubic feet per day of TAG at a maximum pressure of 4,525 psig. Each of these wells are to inject through open-hole completions into an interval comprising the Devonian and Silurian formations from approximately 14,900 to 16,400 feet below the surface. Both wells are to be constructed and monitored to compensate the physical characteristics of TAG.

The Oil Conservation Division does not oppose 3Bear's request for the injection authority for the two proposed wells following discussions with 3Bear's technical representatives regarding the potential for induced-seismicity at the location and the proximity of the proposed wells to existing UIC Class II produced-water disposal wells with the same injection interval.

INTERVENOR'S PROPOSED EVIDENCE

One Witness: Phillip Goetze, Geologic Specialist, Oil Conservation Division of the Energy,

Minerals and Natural Resources Department

Mr. Goetze has over 40 years of experience developing and implementing projects with environmental, hydrologic, mineral extraction, and regulatory application. Mr. Goetze's duties include the review of UIC Class II Injection wells, along with serving as a hearing examiner for the Division in cases which include applications for injection permits and termination of injection

authorization for breach of permit conditions. A copy of Mr. Goetze's resume describing his education and experience in detail is attached as Exhibit 4.

Mr. Goetze's testimony is expected to last 20 minutes.

The Division will offer Mr. Goetze as an expert in petroleum geology and underground injection.

EXHIBITS

EXHIBIT 1: DIVISION FIGURE 1: Pending Applications for High-Volume Devonian Disposal Wells

EXHIBIT 2: Correspondence of Geolex Inc. to the Division dated May 3, 2019 [with attachment]

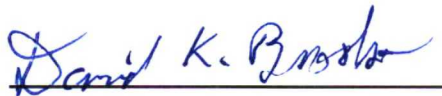
EXHIBIT 3: Summary Table of Current UIC Class II Acid Gas Injection Wells in New Mexico

EXHIBIT 4: Resume of Phillip Goetze

PROCEDURAL MATTERS

The Division's counsel knows of no procedural matters that the Commission needs to address.

Respectfully Submitted

A handwritten signature in blue ink, reading "David K. Brooks", is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following party by email on May 30, 2019:

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A handwritten signature in blue ink that reads "David K. Brooks". The signature is fluid and cursive, with a long horizontal stroke at the end.

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