

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

**APPLICATION OF LEA MIDSTREAM, LLC
FOR AUTHORIZATION TO INJECT,
LEA COUNTY, NEW MEXICO**

CASE NO. 25413

**COMMISSIONER OF PUBLIC LANDS AND NEW MEXICO STATE LAND OFFICE'S
PRE-HEARING STATEMENT**

Ari Biernoff hereby enters his appearance on behalf of Stephanie Garcia Richard, Commissioner of Public Lands of the State of New Mexico, and the New Mexico State Land Office (collectively, "State Land Office") in the above-captioned case. The State Land Office submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

IDENTIFICATION OF PARTY AND COUNSEL

Concurrently with the submission of this Pre-Hearing Statement, the State Land Office has entered its appearance in this matter and is represented by undersigned counsel.

STATEMENT OF THE CASE

Lea Midstream, LLC ("Lea Midstream") filed an application for authorization to inject treated acid gas ("TAG"), consisting of acid gas and residual carbon dioxide, from a proposed natural gas processing plant into the proposed White Russian AGI #1 well to be located in Section 17, Township 19 South, Range 35 East, NMPM, in Lea County. Lea Midstream proposes to inject up to 12 million standard cubic feet of TAG per day.

The State Land Office has two concerns that it has raised with Lea Midstream and its counsel; neither have responded in substance. First, it is unclear from Lea Midstream's application whether it proposes to drill a redundant well, and if so, where such well is proposed to be located.

The Oil Conservation Division has generally recommended redundant wells, and the Division and/or Oil Conservation Commission have required redundant wells as a condition of issuance of authorization to inject in some cases. *See, e.g., Case No. 24881; OCD Exhibit 1, Summary of UIC Class II Acid Gas Injection Wells Permitted for the Northwind Midstream Gas Processing Facility.*

Second, the State Land Office may require compensation from Lea Midstream for pore space or other encroachment in the event White Russian AGI #1 or the redundant well (if any is proposed) begin injection. Lea Midstream has to date failed to respond to requests for discussion on both items.

PROPOSED EVIDENCE

The State Land Office intends to call Allison Marks, Director of the agency's Oil, Gas and Minerals Division; and Baylen Lamkin, Petroleum Specialist Supervisor with the agency's Oil, Gas and Minerals Division. Ms. Marks and Mr. Lamkin will testify regarding the agency's position on Lea Midstream's application. Ms. Marks and Mr. Lamkin may also testify regarding the potential effect on state trust land or resources of injection into the proposed well and any associated redundant well.

Ms. Marks' and Mr. Lamkin's testimony will not exceed 20 minutes. There are no exhibits to be admitted through their testimony.

PROCEDURAL MATTERS

There are no procedural matters to be resolved prior to the hearing.

Respectfully submitted,

/s/ Ari Biernoff

Ari Biernoff
General Counsel
NEW MEXICO STATE LAND OFFICE
P.O. Box 1148
Santa Fe, NM 87504-1148
(505) 699-1519
abiernoff@nmslo.gov
*Attorney for Stephanie Garcia Richard,
Commissioner of Public Lands of the State
of New Mexico, and New Mexico
State Land Office*

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of July, 2025, I served a copy of the foregoing Pre-Hearing Statement by email on the following:

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
HOLLAND & HART LLP
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com
Attorneys for Applicant

/s/ Ari Biernoff