

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

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**IN THE MATTER OF THE APPLICATION OF
BASIC ENERGY SERVICES FOR
AUTHORIZATION TO CONDUCT INJECTION
OPERATIONS, EDDY COUNTY, NEW MEXICO**

Case No. 14666

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Basic Energy Services as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Basic Energy Services
P.O. Box 1375
Artesia, NM 88211-1375

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery & Andrews
P.O. Box 2307
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OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order authorizing the injection of water in the Delaware, Bell Canyon and Cherry Canyon formation, south Loving Delaware Pool (40380). Applicant is the owner of the following well:

Belco State No. 2 SWD
API No. 30-015-25433
2310' FNL & 1980' FWL (Unit F)
Section 20
T-23-S, R-28-E, NMPM
Eddy County, New Mexico

The above well is drilled to a total depth of approximately 5,930'. Basic proposes to convert the well and utilize it for injection of water through a closed system into the Delaware, Bell Canyon and Cherry Canyon formations (top: 2,454'; base: 5,865') with an injection interval within the approximate depths of 2,540' to 5,865', through perforations from 5,846' to 5,865'.

Injection operations through the well will be conducted at an anticipated average daily injection pressure of 600 psi (surface) with a maximum surface injection pressure of 1,000 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 1,500 bbls and at maximum daily rates of approximately 3,400 bbls. The source of the injected fluids will be formation water from production wells that have been drilled and are scheduled to be drilled in the area.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
David Alvarado, Petroleum Engineer	20 min.	2

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

This application was initially set for administrative approval. However, written objections were received from the area surface owners, requiring that the matter be set for hearing pursuant to Rule 19.15.26.8D.

MONTGOMERY & ANDREWS, P.A.

By: _____



J. Scott Hall, Esq.

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(505) 982-3873

Attorneys for Basic Energy Services

00283967

Certificate of Service

I hereby certify that on June ____, 2011, a true and correct copy of the foregoing
was mailed to the following:

N/A

J. Scott Hall