

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

**APPLICATION TO RE-OPEN CASE NO. 15616  
FOR ADDITIONAL REPORTING PURSUANT TO ORDER  
NO. R-14322, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 15616 (re-opened)**

**APPLICATION**

OXY USA Inc. (“OXY”) through its undersigned attorneys, hereby files this application with the Oil Conservation Division to re-open Case No. 15616 to 1) make permanent the injection authority set forth in Order No. R-14322; 2) authorize injection of carbon dioxide; and 3) allow OXY to add additional injection wells to the project area by administrative application. Pursuant to the terms of the order, OXY also seeks to present the results of the pilot project to the Division. In support of its application, OXY states:

1. Division Order No. R-14322, entered on April 10, 2017, approved OXY’s Cedar Canyon Pressure Maintenance Pilot Project (the “Pilot Project”). The project area was defined as the Bone Spring formation in all of Section 16, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

2. The Order approved a two-year period of injection of produced water and produced gas into the Cedar Canyon 16 State Well No. 7H (API No. 30-015-41251) and the Cedar Canyon 16 State Well No. 12H (API No. 30-015-42683) wells.

3. Paragraph 19, page 7 of Order R-14322 required OXY to apply to the Division two years after commencement of injection to report on the results of the Pilot Project and to make permanent the injection authority authorized by the Order.

4. Paragraph 1, page 4 of the Order allows OXY to inject produced water and produced gas into the Bone Spring formation. OXY also seeks authority to inject carbon dioxide into the Bone Spring formation through the injection wells. The source of the carbon dioxide is unknown.


5. Finally, OXY seeks authority to add additional future injection wells to the Pilot Project through administrative application.

6. Approval of this application will result in the production of more hydrocarbons from the project area, will prevent waste, and will protect correlative rights.

WHEREFORE, OXY USA, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 10, 2019, and, after notice and hearing as required by law, the Division approve this application.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR OXY USA, INC.**

**Case No. 15616**

**(re-opened):**

**Application of OXY USA Inc. to Re-Open Case No. 15616 for Additional Reporting Pursuant to Order No. R-14322, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks to 1) make permanent the injection authority set forth in Order No. R-14322; 2) add CO<sub>2</sub>?; and 3) allow OXY to add additional injection wells to the project area by administrative application. Pursuant to the terms of the order, OXY also seeks to present the results of the pilot project to the Division. The proposed project is located approximately 5 miles east of Malaga, New Mexico.