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

APPLICATION OF BLACK RIVER WATER MANAGEMENT COMPANY, LLC TO AMEND ADMINISTRATIVE ORDER SWD-1738 FOR MALAGA SWD NO. 4 WELL, EDDY COUNTY, NEW MEXICO.

CASE NO. 20933

PRE-HEARING STATEMENT

Black River Water Management Company, LLC ("Black River Water Management"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

Black River Water Management Company, LLC

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OTHER PARTIES

None at this time.

APPLICANT'S STATEMENT OF THE CASE

Black River Water Management Company seeks an order amending Administrative Order SWD-1738 to increase the diameter of the injection tubing in the subject well from 4.5 inches to 5.5 inches. On June 13, 2018, the Oil Conservation Division authorized Black River through Administrative Order SWD-1738 to use its Malaga SWD No. 4 well (API No. 30-015-

44514) for disposal of oil field produced water through an open-hole interval within the Devonian formation from approximately 14,228 feet to 15,103 feet. The order further provides that injection is permitted through an "internally-coated 4.5-inch or smaller tubing[.]" The Malaga SWD No. 4 well has been drilled and has been continuously injecting since September 4, 2018. The well is equipped with surface casing, two stages of intermediate casing, and 7.625-inch production casing. All casing is cemented to the surface. Black River seeks an amendment to Administrative Order SWD-1738 permitting it to use 5.5-inch injection tubing. The tubing will be placed inside the production casing. All other approved well designs and permit conditions under Administrative Order SWD-1738 are proposed to remain unchanged.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Marshall Brooks Verschoyle, Landman	Approx. 15 minutes	Approx. 3
Dr. Edmund Locke Frost III, Geologist	Approx. 10 minutes	Approx. 3
Bradley M. Robinson, Reservoir Engineer	Approx. 10 minutes	Approx. 3

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

By

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