

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

**APPLICATION OF TARGA NORTHERN
DELAWARE, LLC FOR AUTHORIZATION
TO INJECT, LEA COUNTY, NEW MEXICO**

CASE NO. 23463

**OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT**

The New Mexico Oil Conservation Division ("OCD") submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD has intervened in this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

Targa Northern Delaware, LLC ("Targa") has filed an application for authorization to inject acid gas and residual carbon dioxide, referred to herein as Treated Acid Gas ("TAG"), from the Red Hills Gas Processing Plant into the proposed Red Hills AGI Well No. 3. The proposed well will be located in Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico. Lucid seeks approval to inject volume up to twenty-six (26) million standard cubic feet per day of TAG at a maximum surface injection pressure of 4,838 pounds per square inch. The proposed well will inject through an open-hole completion into an interval comprising the Devonian and Silurian formations from approximately 16,000 to 17,600 feet below the surface. The proposed well will be constructed and monitored in such a way as to address the unique physical characteristics of TAG, including special well design modifications to address the shallower injection of TAG by an existing AGI well, Red Hills AGI Well No. 1 and the drilling conditions encountered in the temporarily abandoned Red Hills AGI Well No. 2.

OCD supports the approval of the proposed well subject with the inclusion of the permit conditions identified in OCD Exhibit 1, including the incorporation by reference of the contents of Form C-108 application submitted by Targa.

III. PROPOSED EVIDENCE

OCD intends to call Million Gebremichael, the OCD's UIC Program Petroleum Specialist Advanced, as an expert in petroleum engineering. His testimony is expected to be twenty (20) minutes. Mr. Gebremichael is a member of the OCD's UIC Group and has experience in the review of applications for compliance with OCD's rules and the prevention of waste and the protection of correlative rights, public health and the environment. Mr. Gebremichael has more than 10 years of experience in the fields of reservoir engineering, petroleum geology, and regulatory oversight. In support of his testimony, Mr. Gebremichael will present the following exhibits:

Exhibit 1 OCD's Recommended Permit Conditions

Exhibit 2 Curriculum Vitae of Million Gebremichael

IV. PROCEDURAL MATTERS

OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

/s/ Chris Moander for Jesse Tremaine

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CERTIFICATE OF SERVICE

I certify that on May 4, 2023, I served this pleading by electronic mail on:

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