

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

**APPLICATION OF AGAVE ENERGY COMPANY  
FOR AUTHORIZATION TO INJECT,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 14720**

**[APPLICATION OF TARGA NORTHERN DELAWARE,  
LLC TO SUBMIT INJECTION DATA COVERING THE  
FIRST FOUR YEARS OF THE OPERATION OF THE  
RED HILLS AGI #1 WELL]**

**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 authorization to inject acid gas and residual carbon dioxide (treated acid gas) from the Red Hills Gas Processing Plant into the Red Hills AGI Well No. 1 ("Well"). The Well is located in Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

In accordance with Ordering Paragraph 2(c) of Order No. R13507-D (1), Targa is submitting a report summarizing injection data for the first four years of operation of the Well and an updated model of the projected scope of the injection plume after 30 years of injection. OCD supports the approval of the report along with recommendations to the Commission with the intent to establish a minimum content for these performance reports required for all acid gas injection wells.

### **III. PROPOSED EVIDENCE**

OCD intends to call Million Gebremichael, Petroleum Specialist Advanced, as an expert in petroleum engineering and underground injection. 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 Milestone Progress Report Content Recommendation |
| Exhibit 2 | Summary Table of Active AGI Wells                      |
| Exhibit 3 | 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  
Jesse K. Tremaine  
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**CERTIFICATE OF SERVICE**

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

**Counsel for Targa Northern Delaware**

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/s/ Chris Moander for Jesse Tremaine  
Jesse Tremaine