

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

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**APPLICATION OF BOPCO, L.P. FOR  
REVOCATION OF INJECTION  
AUTHORITY UNDER ADMINISTRATIVE  
ORDER SWD-542, EDDY COUNTY,  
NEW MEXICO**

**Case No. 15231**

**BOPCO, L.P.'S PRE-HEARING STATEMENT**

BOPCO, L.P. ("BOPCO") submits its Pre-Hearing Statement as required by the Oil Conservation Division.

**APPEARANCES**

BOPCO is the applicant in this case. Its business address is 201 N. Main Street, Suite 2900, Fort Worth, Texas 76102. BOPCO is represented by the undersigned counsel.

**STATEMENT OF THE CASE**

BOPCO's application requests an order revoking the injection authority granted to OXY USA, Inc. ("OXY") under Administrative Order SWD-542.

Administrative Order SWD-542, as subsequently amended by Division Order No. IPI-272 and Administrative Order IPI-451, authorizes OXY to utilize its SDS "11" Federal Well No. 1 (API 30-015-27627) for the disposal of produced water into the Bell Canyon member of the Delaware Mountain Group from approximately 4,508 feet to 5,498 feet through 2 7/8 inch plastic-lined tubing set in a packer located at approximately 4,408 feet. The SDS "11" Federal Well No. 1 is located 2,090 feet from the North line and 1,980 feet from the West line in Unit Letter F of Section 11, Township 24 South, Range 31 East in Eddy County.

Administrative Order SWD-542 established a maximum surface injection pressure of 902 psi for the produced water disposal well. In 2006, the injection pressure limitation was increased to 2,200 psi by Division Order No. IPI-272. The injection pressure limitation was further increased to 3,170 psi by Administrative Order IPI-451, which was issued on October 11, 2013.

BOPCO asserts that produced water injected into OXY's SDS "11" Federal Well No. 1 disposal well has migrated to four of BOPCO's producing wells in its Poker Lake Unit through a geological fracture and has adversely impacted BOPCO's production of oil from the wells, thereby impairing BOPCO's correlative rights and causing waste.

#### **PROPOSED EVIDENCE**

<b><u>WITNESS</u></b>	<b><u>ESTIMATED TIME</u></b>	<b><u>EXHIBITS</u></b>
Andy Morrison (Landman)	10	Approx. 2
Brian Pregger (Geologist)	20	Approx. 6
Cary McGregor (Engineer)	20	Approx. 12

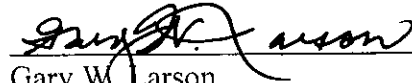
BOPCO reserves the right to call a rebuttal witness(es) if appropriate.

#### **PROCEDURAL MATTERS**

BOPCO is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

HINKLE SHANOR LLP



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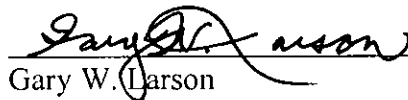
*Counsel for BOPCO, L.P.*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 22nd day of October, 2014 I served a true and correct copy of the foregoing ***BOPCO, L.P.'s Pre-Hearing Statement*** via email to:

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*Counsel for OXY USA, Inc.*



Gary W. Larson