

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

*W.K.*  
1-21-04

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF HEARING:

APPLICATION OF MELROSE OPERATING COMPANY  
TO RE-INSTATE AND AMEND DIVISION ORDER R-11720  
EDDY COUNTY NEW MEXICO

CASE 13199

PRE-HEARING STATEMENT

Melrose Operating Company submits this pre-hearing statement as required by the  
New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Melrose Operating Company  
P. O. Box 953  
Midland, Texas 79702  
Attn: Tony Bellman  
432-684-6381

ATTORNEY

Thomas Kellahin, Esq.  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
505-982-4285

OPPONENT

None

ATTORNEY

**STATEMENT OF THE CASE****APPLICANT:**

Melrose Operating Company seeks to re-instate Division Order R-11720 for its Artesia Unit Waterflood Project and amend as follows:

- (1) alter the injection pattern;
- (2) approve an additional injection well (Artesia Unit Well No. 21, Unit J of Sec 35;
- (3) approve a replacement injection well (Artesia Unit Well No 53, Unit J of Sec 3;
- (4) alter the injection interval for the Unit by temporarily deleting the Penrose interval;
- (5) Increase the surface injection pressure to not less than 1263 psi;
- (6) Apply the "radius of endangerment calculation" to the Unit.

**PROPOSED EVIDENCE****APPLICANT****WITNESSES**

Robert Lee (PE)

**EST. TIME**

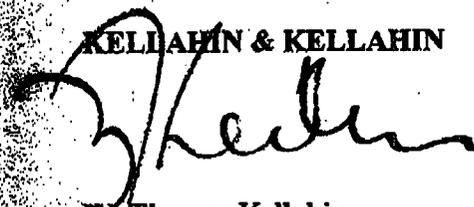
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**EST. EXHIBITS**

@ 12

**PROCEDURAL MATTERS**

None

**KELLAHIN & KELLAHIN**


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