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

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

IN THE MATTER OF THE APPLICATION OF COULTHURST MANAGEMENT & INVESTMENT, LLC, TO RE-OPEN CASE NO. 14835 TO AMEND ORDER NO. R-2975-A.

7013 JAN 31 P 2: 500. 1483

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Coulthurst Management & Investment, LLC as required by the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u>

ATTORNEY

Coulthurst Management & Investment, LLC 5319 Broadway Terrace No. 303 Oakland, California 946181

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STATEMENT OF THE CASE

Coulthurst Management & Investment, LLC ("Coulthurst") seeks to amend Order No.R-2975-A to authorize injection into shallower intervals than originally approved. While preparing for the required mechanical integrity test on the Erin No. 2 prior to commencing injection, Coulthurst determined that the well has perforations in the Menefee formation sands from approximately 438 – 453 feet and from 456 – to 461 feet. Division authorization is required to

inject into this shallower zone in addition to the injection zones already approved under Order No. R-2975-A. Coulthurst's Application also seeks a correspondingly lower injection pressure (from 105 psi to 87 psi) and proposes to place the packer at approximately 400 feet, rather than 500 feet, as originally contemplated, due to the shallower perforations.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Paul C. Thompson, Petroleum Engineer	Approx. 15 mins.	Approx. 4 Exs.

PROCEDURAL MATTERS

As it is anticipated that there will be no objections to this application, Mr. Thompson's testimony will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART, LLP

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