

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

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

RECEIVED

MAR 25 2003

Oil Conservation Division

APPLICATION OF ENERQUEST RESOURCES, LLC
FOR APPROVAL OF A WATERFLOOD PROJECT
AND QUALIFICATION OF THE PROJECT AREA
FOR THE RECOVERED OIL TAX RATE PURSUANT
TO THE ENHANCED OIL RECOVERY ACT, LEA
COUNTY, NEW MEXICO.

Case No. 13041

APPLICATION OF ENERQUEST RESOURCES, LLC
FOR STATUTORY UNITIZATION, LEA COUNTY,
NEW MEXICO.

Case No. 13042

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

This entry of appearance and pre-hearing statement is submitted by
Lowe Partners, LP as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
EnerQuest Resources, LLC

APPLICANT'S ATTORNEY
William F. Carr

OPPONENT
Lowe Partners, LP
P.O. Box 832
Midland, Texas 79702
(915) 684-7441
Attention: Richard Gill

OPPONENT'S ATTORNEY
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Lowe Partners, LP objects to unitization based upon the
participation formula proposed by applicant. Lowe Partners, LP
will present a fair and equitable participation formula which the
Division should adopt.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES

Richard Gill
(engineer)

EST. TIME

20 Min.

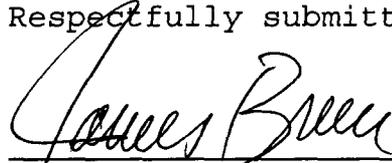
EXHIBITS

Approx. 6

PROCEDURAL MATTERS

-None-

Respectfully submitted,



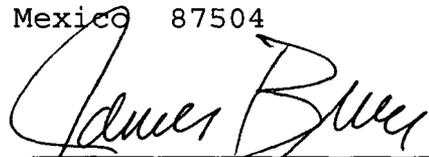
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Lowe Partners, LP

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 21st day of March, 2003 by United State Mail:

William F. Carr
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504



James Bruce

WVOT

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

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MAR 21 2003

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

Oil Conservation Division

CASE NO. 13042

APPLICATION OF ENERQUEST RESOURCES, LLC FOR
STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Enerquest Resources, LLC
Attn: Mr. Craig Clark
Post Office Box 11190
Midland, Texas 79702
(915) 685-3116

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION

Maralo, Inc.

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Key Family

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
117 North Guadalupe
Santa Fe, New Mexico 87504-2265
(505) 982-4285

STATEMENT OF CASE

APPLICANT

Application of EnerQuest Resources, LLC for statutory unitization, Lea County, New Mexico. Applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the San Andres formation, East Hobbs-San Andres Pool, underlying 920 acres, more or less, of State and Fee lands in the following acreage:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Section 29: SW/4, SW/4 NW/4

Section 30: S/2, S/2 N/2

Section 31: N/2 N/2

Section 32: N/2 NW/4

Said unit to be designated the East Hobbs (San Andres)Unit.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable.

PROPOSED EVIDENCE

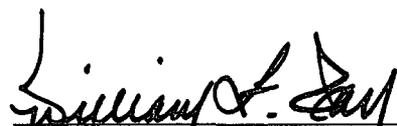
APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Craig Clark (Land)	Approx. 20 Minutes	Approx. 7
Chris Bezner (Reservoir Engineer)	Approx. 30 Minutes	Approx. 10

PROCEDURAL MATTERS

EnerQuest Resources, LLC will request that this application be consolidated for hearing with its application in Case 13041.

OK
WVS



William F. Carr
Attorney for EnerQuest Resources, LLC

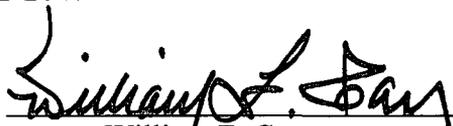
CERTIFICATE OF SERVICE

I certify that on March 21, 2003 I served a copy of the foregoing document to the following
by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504
Facsimile No. 505-982-2151

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
117 North Guadalupe
Santa Fe, New Mexico 87504-2265
Facsimile No. 505-982-2047



William F. Carr

WVS