

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  
Rocket Oil & Gas Company LP as required by the Oil Conservation  
Division.

**APPEARANCES**

APPLICANT

EnerQuest Resources, LLC

APPLICANT'S ATTORNEY

William F. Carr

OPPONENT

Rocket Oil & Gas Company LP  
P.O. Box 22854  
Denver, Colorado 80222  
(303) 321-0606

OPPONENT'S ATTORNEY

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

Attention: Kevin Preston

**STATEMENT OF THE CASE**

APPLICANT

OPPONENT

Rocket Oil & Gas Company LP objects to unitization based upon the  
participation formula proposed by applicant. The Division should  
adopt a formula which allocates hydrocarbons to the interest owners  
on a fair and equitable basis.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

Kevin Preston  
(engineer)

EST. TIME

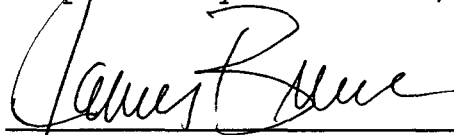
Possible witness

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



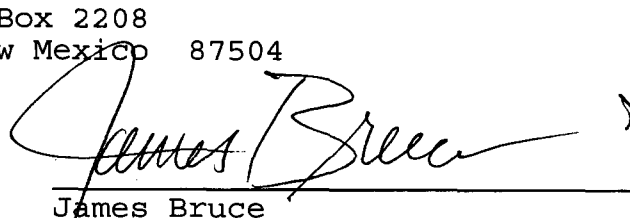
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Rocket Oil & Gas Company  
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 fax and United State Mail:

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



James Bruce

*mvjt*

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

**RECEIVED**

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. 13041

**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.**

**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.

**ATTORNEY**

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

Applicant in the above-styled cause, seeks approval of its East Hobbs (San Andres) Unit Waterflood Project by injection of water into the San Andres formations through 19 injection wells located in the following described area:

**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

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations.

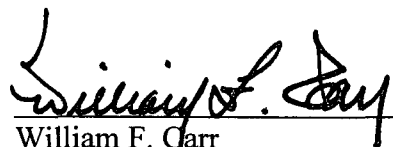
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Craig Clark (Land)	Approx. 20 Minutes	Approx. 7
Chris Bezner (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 13042.

  
\_\_\_\_\_  
William F. Carr  
Attorney for EnerQuest Resources, LLC

WVJ

**CERTIFICATE OF SERVICE**

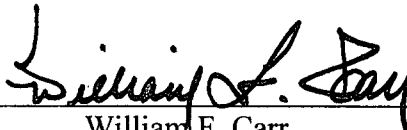
I certify that on March 21, 2003 I served a copy of the foregoing document to the following  
by

☐  
☐  
☒

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

WVJ

**KELLAHIN & KELLAHIN**  
**Attorney at Law**

W. Thomas Kellahin  
New Mexico Board of Legal  
Specialization Recognized Specialist  
in the area of Natural resources-  
oil and gas law

P.O. Box 2265  
Santa Fe, New Mexico 87504  
117 North Guadalupe  
Santa Fe, New Mexico 87501

Telephone 505-982-4285  
Facsimile 505-982-2047  
kellahin@earthlink.com

March 19, 2003

**HAND DELIVERED**

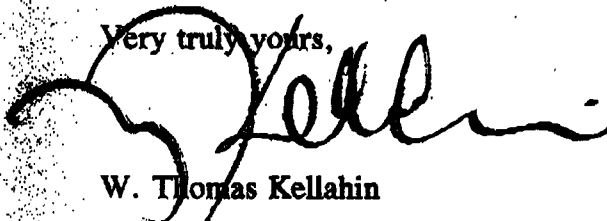
Ms. Lori Wortenberg, Director  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: *NMOCD Case 13001*  
*NMOCD Case 13002*  
*Applications of EnerQuest Resources, LLC.*  
*for waterflood approval and statutory*  
*unitization of its proposed East Hobbs*  
*(San Andres) Unit*  
*Lea County, New Mexico.*

Dear Ms. Wortenberg:

On behalf of the Key Family Group, an adversely affected party, please find enclosed our Entry of Appearance in the referenced cases. This entry of appearance is for the purpose of preserving the Key Family Group's right to a De Novo Hearing. I will not be able to attend the hearing set for March 27, 2003. The Key Family Group does not plan to file a prehearing statement or call witnesses for the Division Examiner's hearing.

Very truly yours,



W. Thomas Kellahin

cfx: William F. Carr, Esq.  
Attorney for EnerQuest Resources, LLC  
cfx: The Key Family Group  
Attn: Sam Hickman  
Attn: Ed deCordova

WVJJ

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

**APPLICATION OF ENERQUEST RESOURCES, LLC.  
FOR APPROVAL OF A WATERFLOOD PROJECT FOR  
ITS EAST HOBBS (SAN ANDRES) UNIT,  
LEA COUNTY, NEW MEXICO**


**CASE 13041**

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

**CASE 13042**

**ENTRY OF APPEARANCE**

Comes now Julie Ann Hopkins Trust, Mark Collver Hopkins Trust, Kite Royalty C., LLC, and White Star Royalty, LLC. ("Key Family Group"), by its attorneys, Kellahin and Kellahin, and enters its appearance in this case as an interested party affected by this application.



**W. Thomas Kellahin  
Kellahin & Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285**

**CERTIFICATE OF SERVICE**

I certify that a copy of this pleading was transmitted by facsimile to counsel for applicant this 18th day of March, 2003.



**W. Thomas Kellahin**

*WVST*