

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

**APPLICATION OF CHAPARRAL ENERGY, LLC FOR
APPROVAL OF A SALT-WATER DISPOSAL WELL,
LEA COUNTY, NEW MEXICO**

CASE NO. 13695

APPLICANT CHAPARRAL ENERGY, L.L.C.'S PREHEARING STATEMENT

Pursuant to 19 NMAC §15.14.1211 (B), applicant Chaparral Energy, L.L.C. ("Chaparral") submits its Prehearing Statement.

I. Parties

A. Chaparral Energy, L.L.C.

Chaparral is represented by the undersigned counsel, Gary W. Larson of the Santa Fe office of Hinkle, Hensley, Shanor & Martin, L.L.P.

B. Weldon L. Dallas

Mr. Dallas submitted a written objection to Chaparral's application for administrative approval of its proposal to convert a production well into an injection well to be utilized for disposal of produced water. Chaparral is informed and believes that Mr. Dallas has neither formally intervened nor entered an appearance in this case, and that he is not represented by counsel.

II. Concise Statement of the Case

In August 2005, Chaparral submitted, for administrative approval, an application to convert a temporarily abandoned oil well known as the State K # 1-21 into an injection well. Chaparral intends to inject and dispose of produced water into the San Andres formation at depths of 3,850 feet to 4,469 feet. The source of the produced water is a nearby Chaparral producing well known as the

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State K #3-21. Chaparral will demonstrate that there are no open faults, or other hydrologic connections, between the disposal zone and underground sources of drinking water.

III. Chaparral's Witness

Chaparral's sole witness will be Ronald K. Brown, P.E., who is a professional engineer licensed in the State of Oklahoma. Mr. Brown is a Field Service Manager and Production Engineer for Chaparral. He will testify regarding (a) Chaparral's proposed use of the State K # 1-21 well, (b) its analysis of (i) the structural integrity of the proposed injection well, (ii) the structural integrity of its State K# 3-21 well and all other wells that penetrate the injection zone within a one-half mile radius of the proposed injection well, and (iii) the water (i) in the source well (State K # 3-21) and (ii) in the fresh water wells within the area of review, and (c) the absence of any potential impact on underground sources of drinking water as a result of the proposed injection and disposal of produced water.

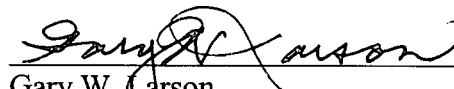
IC. Chaparral's Case Presentation

Chaparral anticipates that it will take approximately thirty (30) minutes to present its case.

V. Unresolved Procedural Matters

Chaparral is not aware of any procedural matters that need to be resolved prior to the hearing.

HINKLE, HENSLEY, SHANOR & MARTIN, LLP



Gary W. Carson
Post Office Box 2068
Santa Fe, NM 87504-2068
505.982.4554

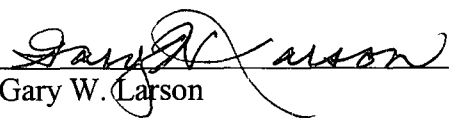
Attorney for Chaparral Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Applicant Chaparral Energy, L.L.C.'s Prehearing Statement* was mailed this 1st day of June, 2006, to:

Weldon L. Dallas
HC-12 Box 46
Tatum, NM 88267

David K. Brooks, Esq.
Assistant General Counsel
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505



Gary W. Larson