

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

**RECEIVED**

AUG 18 2003

Oil Conservation Division

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

CASE NO. 13134

APPLICATION OF CONOCOPHILLIPS COMPANY FOR  
APPROVAL OF A COOPERATIVE LEASE LINE INJECTION  
AGREEMENT FOR AN "EXPANDED USE AREA" WITHIN  
THE EAST VACUUM GRAYBURG-SAN ANDRES UNIT  
PRESSURE MAINTENANCE PROJECT AREA, AND  
QUALIFICATION OF THE ACREAGE WITHIN THE  
'EXPANDED USE AREA" FOR THE RECOVERED OIL TAX  
RATE PURSUANT TO THE NEW MEXICO 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**

Ms. Deborah Markley  
ConocoPhillips Company  
4001 Penbrook  
Odessa, TX 79762  
(432) 368-1296

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**STATEMENT OF CASE**

APPLICANT

Applicant seeks an order approving the cooperative lease line injection agreement between ConocoPhillips and ChevronTexaco for a 156-acre Expanded Use Area for carbon dioxide injection within the East Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area comprised of portions of the SE/4 of Section 31 and the W/2 of Section 32, Township 17 South, Range 34 East, NMPM and the NW/4 of Section 5, Township 18 South Range 35 East, NMPM. Applicant also seeks to qualify the acreage within the "Expanded Use Area" for the Recovered Oil Tax Rate pursuant to the New Mexico Enhanced Oil recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The Expanded Use Area is located approximately 15 miles northwest of Hobbs, New Mexico.

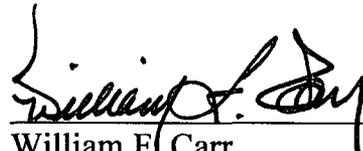
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Sam Johnstone (Petroleum Engineer)	Approx. 15 Minutes	Approx. 8

**PROCEDURAL MATTERS**

ConocoPhillips Company has none at this time.

  
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William F. Carr  
Attorney for ConocoPhillips Company