

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

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

CASE NO. 14330

APPLICATION OF GANDY CORPORATION FOR AUTHORIZATION TO INJECT.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart, L.L.P. on behalf of V-F Petroleum, Inc. as required by Oil Conservation Rule 19.15.14.1204 B NMAC.

APPEARANCES OF PARTIES

APPLICANT

Gandy Corporation

ATTORNEY

Charles N. Lakins, Esq.
Deomenici Law Firm, PC
320 Gold Ave., SW
Suite 1000
Albuquerque, New Mexico 87102-3228
(505) 883-6250
(505) 884-3424 Facsimile

OPPOSITION

V-F Petroleum, Inc.
Attn: Tom Beall
Post Office Box 1889
Midland, Texas 79702
(423) 683-3344

ATTORNEY

William F. Carr, Esq.
Holland & Hart, L.L.P.
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

STATEMENT OF CASE

APPLICANT

Gandy Corporation seeks approval to re-enter the existing Albacore 25 Com well No. 1 (API No. 30-025-37054), located 130 feet from the South line and 1350 feet from the West line of Section 25, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico for the purpose of injecting saltwater disposal fluids into the Abo and Permo-Penn formations, at intervals from 8,900 to 11,000 feet.

OPPOSITION OF OTHER PARTY

V-F Petroleum, Inc. will appear and present testimony in opposition to the application of Gandy Corporation. V-F Petroleum, Inc. is the operator of offsetting property and will oppose the proposed injection because it will impair the correlative rights of V-F Petroleum and will cause waste.

PROPOSED EVIDENCE

OPPOSITION

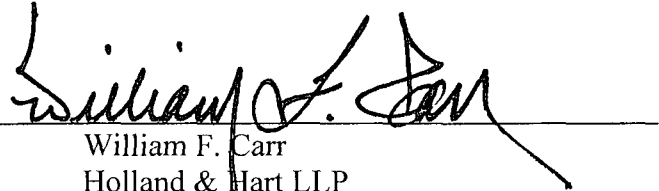
<u>WITNESSES</u> (Name and expertise)	<u>EST. TIME</u>	<u>EXHIBITS</u>
Louis J. Mazzullo (Geologist)	Approx. 20 min.	Approx. 6
Dale Lubinsti (Geologist)	Approx. 10 min.	Approx. 5
Tom Beall (Petroleum Engineer) MAY CALL	Approx. 20 min.	Approx. 5

PROCEDURAL MATTERS

V-F Petroleum, Inc.'s Motion to Quash Subpoena and Motion for Continuance are pending before the Division.

Respectfully Submitted:

Holland & Hart LLP

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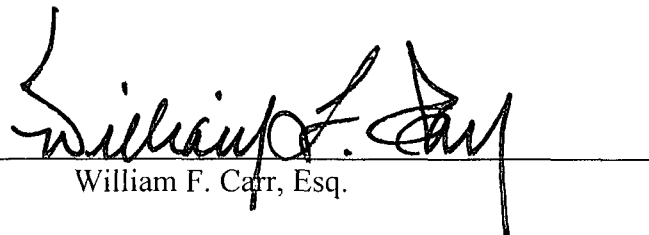
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Santa Fe, New Mexico 87504
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ATTORNEYS FOR V-F PETROLEUM, INC.

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of June, 2009, I have caused to be delivered by Facsimile a copy of the **Pre-Hearing Statement** in the above mentioned case to the following counsel of record:

Charles N. Lankins, Esq.
Domenici Law Firm
320 Gold Ave., SW
Suite 1000
Albuquerque, New Mexico 87102-3228
(505) 883-5260
(505) 884-3424 Facsimile

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William F. Carr, Esq.