

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

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

APPLICATION OF ALAMO PERMIAN RESOURCES, LLC
FOR REINSTATEMENT OF A WATERFLOOD PROJECT
FOR ITS WEST ARTESIA GRAYBURG WATERFLOOD UNIT
AREA AND QUALIFICATION OF SAID PROJECT FOR THE
RECOVERED OIL TAX RATE PURSUANT TO THE ENHANCED
OIL RECOVERY ACT, EDDY COUNTY, NEW MEXICO.

CASE NO: 14611

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PRE-HEARING STATEMENT

This pre-hearing statement is submitted by ALAMO PERMIAN RESOURCES, LLC as
required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Alamo Permian Resources, LLC
Attn: Tyler Woodruff
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Houston, Texas 77024

ATTORNEY

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Holland & Hart LLP
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11/6/11
wst
jsm

STATEMENT OF THE CASE

Applicant in the above-styled cause, seeks approval of its West Artesia Grayburg Unit Waterflood Project comprised of 640 acres, more or less of State and Fee lands located in Eddy County, New Mexico, more particularly described as follows:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

| | |
|-------------|--|
| Section 7: | E/2 SE/4, SE/4 NE/4 |
| Section 8: | NW/4, S/2 NE/4, W/2 SW/4, NE/4 SW/4, N/2 SE/4 |
| Section 17: | N/2 NW/4 |

Applicant seeks authorization to inject water into the Grayburg formation, Artesia Queen Grayburg San Andres Pool, through the following injection wells: (1) West Artesia Grayburg Unit #1, API # 3001502645, 990 FNL & 2,310 FWL (Unit C), Section 8, T18S, R28E, Injection Interval (Perforations) 1,982'-2,264'; (2) West Artesia Grayburg Unit #4, API # 3001502648, 2,310 FNL & 990 FWL (Unit E), Section 8, T18S, R28E, Injection Interval (Perforations) 1,966'-2,270'; (3) West Artesia Grayburg Unit #6, API # 3001510328, 2,310 FNL & 1,980 FEL (Unit G), Section 8, T18S, R28E, Injection Interval (Perforations) 2,114'-2,277'; (4) West Artesia Grayburg Unit #12, API # 3001502649, 1,650 FSL & 990 FWL (Unit L), Section 8, T18S, R28E, Injection Interval (Perforations) 2,114'-2,253'; (5) West Artesia Grayburg Unit #13, API # 3001502636, 2,310 FSL & 330 FEL (Unit I), Section 7, T18S, R28E, Injection Interval (Perforations) 1,932'-2,208'; (6) West Artesia Grayburg Unit #18, API # 3001501899, 330 FNL & 990 FWL (Unit D), Section 17, T18S, R28E, Injection Interval (Perforations) 2,009'-2,279'. Applicant further proposes to inject at maximum rates of 1,000 barrels of water per day at a maximum pressure of 1275 psi, into the Grayburg formation. The applicant requests that the Division establish procedures for the administrative approval of additional injection

wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 12.5 miles east/southeast of Artesia, New Mexico.

PROPOSED EVIDENCE

APPLICANT

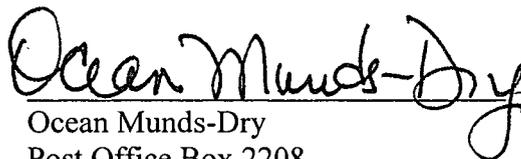
| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------------------|------------------|-----------------|
| Tyler Woodruff Landman | 15 Minutes | Approx. 5 |
| Tom Fekete Geology | 30 minutes | Approx. 5 |
| Patrick Seale Engineering | 30 minutes | Approx. 5 |

PROCEDURAL MATTERS

Alamo has none at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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