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OIL CONSERVATION DIV.

**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:

CASE NO. 12112

APPLICATION OF GP II ENERGY, INC.
FOR APPROVAL OF A WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

GP II Energy, Inc.
c/o M. Sirgo
3300 N. A Street, Bldg. One, Suite 110
Midland, TX 79705
(915) 685-0878
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

GP II Energy, Inc., applicant in the above-captioned case seeks approval of its Square Lake Unit Waterflood Project by injection of water into the Grayburg and San Andres formations through 147 injection wells located in the following described area:

Township 16 South, Range 30 East
Section 25: E/2
Section 36: N/2

Township 16 South, Range 31 East
Section 19: S/2
Section 20: S/2
Section 27: SW/4, S/2 NW/4, NW/4 NW/4, S/2 SE/4, NW/4 SE/4, SW/4 NE/4
Sections 28 through 34: All

Applicant requests that the Division establish procedures for the administrative approval of additional injection well 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 the waterflood operations.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

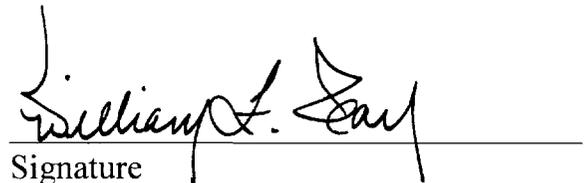
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
M.A. Sirgo, Petroleum Engineer	20 Min.	Approximately 10
Robert Lee, Petroleum Engineer	15 Min.	Approximately 6

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

GP II Energy, Inc. will request that Cases 12112 and 12113 be consolidated for the purpose of the presentation of testimony.


Signature