

MA
5-26-00

**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 (REOPENED)

OIL CONSERVATION DIVISION
09 MAY 26 PM 12:21

**APPLICATION OF GP II ENERGY, INC. FOR APPROVAL OF A WATERFLOOD
PROJECT AND QUALIFICATION OF THE PROJECT FOR THE RECOVERED
OIL TAX RATE PURSUANT TO THE ENHANCED OIL RECOVERY ACT, 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.
Attn: Manny Sirgo
3300 North A Street, Suite 110
Midland, TX 79705
(915) 685-0878

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

Application of GP II Energy, Inc. for Approval of a Waterflood Project and Qualification of the Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks approval of its Square Lake Unit Waterflood Project by injection of water into the Grayburg and San Andres formations through 23 injection wells located in the following described area:

Township 16 South, Range 30 East, NMPM

Section 25: E/2
Section 36: N/2

Township 16 South, Range 31 East, NMPM

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
Section 28 through 34: All

Applicant requests that the Division establish procedures for administrative approval of additional injection wells 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 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). this area is located approximately 5 miles northeast of Loco Hills, New Mexico.

PROPOSED EVIDENCE

APPLICANT

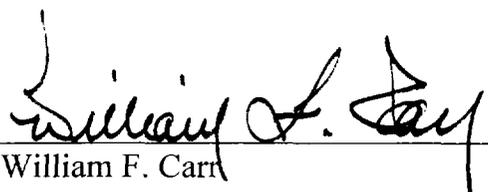
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Manny Sirgo, III (Landman)	Approx. 30 min.	Approx. 5

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS

GP II, Energy, Inc. has none at this time.



William F. Carr
Attorney for GP II Energy, Inc.