Pre-hearing Statement NMOCD Case No. 12123 Page 2

STATEMENT OF CASE

APPLICANT

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

Texaco Exploration & Production Inc., applicant in the above-captioned case seeks the amendment of Division Order No. R-9714 to authorize the injection of water through two horizontally drilled dual laterals into the Glorieta and Paddock formations in its Vacuum Glorieta West Unit Well No. 108 and for the establishment of an administrative procedure whereby additional wells may be drilled and completed as horizontal injection wells. The Vacuum Glorieta West Unit Pressure Maintenance Project encompasses portions of Sections 24 through 26 and 35 and 36 of Township 17 South, Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Sections 1 and 2 of Township 18 South, Range 34 East; and Section 6 of Township 18 South, Range 35 East.

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.)