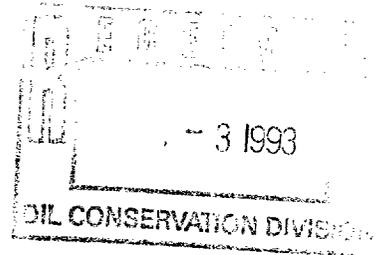


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

CASE NO. 10798

APPLICATION OF TEXACO EXPLORATION
AND PRODUCTION INC., TO AUTHORIZE THE
EXPANSION OF A PORTION OF ITS COOPER
JAL UNIT WATERFLOOD PROJECT, AND
QUALIFY SAID EXPANSION FOR THE
RECOVERED TAX RATE PURSUANT TO THE
"NEW MEXICO ENHANCED OIL RECOVERY ACT",
JALMAT AND LANGLIE-MATTIX POOLS,
LEA 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

Texaco Exploration and _____
Production Inc. _____
Post Office Box 3109 _____
Midland, TX 79702 _____
Attn: Jim H. Ohlms
(915) 688-2916 _____
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.)

Texaco Exploration and Production Inc., applicant in the above-captioned cause, seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Project and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Cooper Jal Unit Waterflood project for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the Cooper Jal Unit to be included in the project area is as follows:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 13: S/2
Section 18: SW/4 SW/4
Section 23: S/2 SE/4
Section 24: All
Section 25: N/2
Section 26: NE/4 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 19: W/2
Section 30: NW/4

comprising 1920 acres, more or less. Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five spot injection patterns.

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

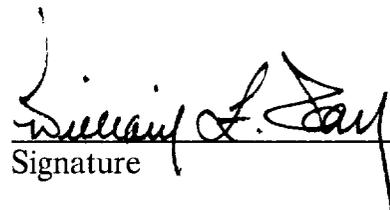
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Jim H. Ohlms, Project Engineer	30 Min.	Approximately 15

OPPOSITION

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

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature