

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. 10684

APPLICATION OF SDX RESOURCES, INC. FOR APPROVAL OF A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by SDX RESOURCES, INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

SDX RESOURCES, INC. P.O. Box 5061 Midland, TX 79704 ATTN: Barbara Wickham

W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 Santa Fe, NM 87504 (505) 982-4285

OPPOSITION OR OTHER PARTY ATTORNEY

N/A

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STATEMENT OF CASE

APPLICANT

Applicant, SDX Resources, Inc., seeks authority to institute a waterflood project on its proposed Leonard Federal and Leonard B Federal Lease area located in portions of Section 33, Township 17 South, Range 29 East, NMPM, by the injection of produced water into the Grayburg and San Andres formations through the Leonard B Federal Well No. 1 and the Leonard Federal Well No. 3, which are to be converted from producing oil wells.

OPPOSITION OR OTHER PARTY

N/A

PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS

Chuck Morgan 25 Minutes 5 Exhibits
Petroleum Engineer

OPPOSITION

WITNESSES EST. TIME EXHIBITS

SEE OPPOSITION FILING

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PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

W. Thomas Kellahin

P.O. Box 2265

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(505) 982-4285 ATTORNEYS FOR APPLICANT

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