

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

**APPLICATION OF TEXLAND PETROLEUM,
L.P. FOR APPROVAL OF A WATERFLOOD
UNIT AGREEMENT, AUTHORIZATION TO
INJECT INTO THE BUBBA 4 STATE COM
#001 WELL, AND TO QUALIFY FOR THE
RECOVERED OIL TAX RATE, LEA
COUNTY, NEW MEXICO.**

CASE NO. 20894

TEXLAND PETROLUUM, L.P.'S PRE-HEARING STATEMENT

Texland Petroleum, L.P. ("Texland") (OGRID No. 186838), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Texland Petroleum

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

APPLICANT'S STATEMENT OF CASE

Texland seeks an order approving its proposed waterflood Unit Agreement for purposes of implementing its Bubba Strawn waterflood project (the "Project") within the Strawn formation. Texland also seeks authority to convert its Bubba 4 State Com #001 (API 30-025-37420) well to injection to support the Project and to convert future wells within the Unit Area to injection administratively. In addition, Texland seeks approval to qualify as an enhanced oil recovery project for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act, NMSA 1978, Sections 7-29A-1 through 7-29A-5, and Division regulations 19.15.6 NMAC.

The proposed Unit Area / Project area consists of the Strawn formation, Shipp; Strawn Pool (Pool Code 55695), underlying approximately 240.00 acres, more or less, of the following State Trust lands situated in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 4: S/2 NW/4, SW/4

The Unitized Interval is the stratigraphic equivalent of one hundred feet above the top of the Strawn formation and continuing to one hundred feet below the base of the Strawn formation, encountered at a true vertical depth of 10,945 feet down to 11,132 feet, as measured in Texland's Walter 4 No. 1 well (API #30-025-35919), located 2,260 feet from the south line and 718 feet from the west line of Section 4, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Texland has met with the State Land Office and has received preliminary approval of the waterflood Unit Agreement.

Texland also seeks authority to convert its **Bubba 4 State Com #001 Well** (API 30-025-37420) to injection to support the Project and to convert future wells within the Unit Area / Project area to injection administratively without the necessity of further hearings pursuant to

19.15.26.8.F.5 NMAC. It is located 731 feet from the south line and 1,043 feet from the west line of Section 4, Township 17 South, Range 37 East, Lea County, New Mexico. The injection of produced water will occur in the Strawn formation within the unitized interval at a depth of approximately 10,928 feet to 11,040 feet deep. The maximum proposed daily injection rate will be 2,000 barrels per day with an average daily injection rate of 750 barrels per day. The average surface injection pressure will be 1,450 psig, and the maximum surface injection pressure will be 1,950 psig.

Applicant further requests that the Project be qualified for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act, NMSA 1978, Sections 7-29A-1 through 7-29A-5, and Division regulations 19.15.6 NMAC. Applicant will present production data including graphs, charts and other supporting data showing the production history and production forecasts from the Unit Area / Project area at hearing.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Wilson Woods, Petroleum Landman	Approx. 15 minutes	Approx. 4
Bryan Lee, Petroleum Geologist	Approx. 15 minutes	Approx. 4
Stephen Henry Neuse, Reservoir Engineer	Approx. 15 minutes	Approx. 5
Clayton Scott, Operations Engineer	Approx. 15 minutes	Approx. 1

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR TEXLAND PETROLEUM, L.P.