

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

OIL CONSERVATION DIV.
JUN 11 PM 3:59

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

CASE NO. 12666

THE APPLICATION OF TEXLAND PETROLEUM-HOBBS,
L.L.C., FOR APPROVAL OF A WATERFLOOD PROJECT FOR
ITS HOBBS-UPPER BLINEBRY POOL COOPERATIVE
WATERFLOOD AREA AND, QUALIFICATION OF SAID
PROJECT FOR THE RECOVERED OIL TAX RATE
PURSUANT TO THE ENHANCED OIL RECOVERY ACT,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Texland Petroleum-Hobbs, L.L.C.
Attention: James Wilkes
500 Throckmorton, Suite 3100
Fort Worth, Texas 76102
(817) 336.2751

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of its Hobbs-Upper Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, Hobbs-Upper Blinebry Pool through fifteen injection wells located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

- Section 28: S/2
- Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4, S/2 NW/4 NW/4
- Section 30: SE/4, S/2 NE/4
- Section 31: NE/4
- Section 32: N/2, N/2 SW/4
- Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said 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). Said unit straddles the city limits on the west side of Hobbs, New Mexico.

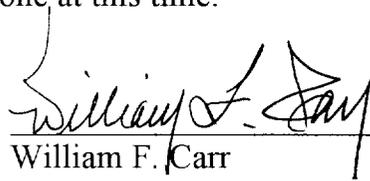
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Jim Wilkes (Petroleum Engineer)	Approx. 30 Minutes	Approx. 7

PROCEDURAL MATTERS

Texland Petroleum-Hobbs, L.L.C., has none at this time.

A handwritten signature in cursive script, appearing to read "William F. Carr", is written over a horizontal line. The signature is written in black ink.

William F. Carr

Attorney for Texland Petroleum-Hobbs, L.L.C.