

**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:**

**APPLICATION OF FORTY ACRES ENERGY, LLC
FOR STATUTORY UNITIZATION, LEA COUNTY,
NEW MEXICO.**

Case No. 15792

**APPLICATION OF FORTY ACRES ENERGY, LLC
FOR APPROVAL OF A SECONDARY RECOVERY
PROJECT AND TO QUALIFY THE PROJECT FOR
THE RECOVERED OIL TAX RATE, LEA COUNTY,
NEW MEXICO.**

Case No. 15793

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Forty Acres Energy, LLC
Suite 1305
11777B Katy Freeway
Houston, Texas 77079

Attention: Chris Fling
(918) 645-8287

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Laurel Seth and Sandy Seth

COG Operating LLC

OPPONENT'S ATTORNEY

J. Scott Hall

Jordan L. Kessler

STATEMENT OF THE CASE

APPLICANT

Case No. 15792: Applicant seeks an order statutorily unitizing all mineral interests in the Yates-Seven Rivers-Queen formation in the proposed West Eumont Unit underlying 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate.

Case No. 15793: Applicant seeks approval to institute a secondary recovery project in the West Eumont Unit Area by the injection of water into the Yates-Seven Rivers-Queen formation in wells located on 7977.30 acres of federal, state, and fee lands covering all or parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Applicant further requests that the secondary recovery project for the West Eumont Unit Area be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L. 1992, ch. 38) and Division regulations.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|--------------------------------|------------------|-----------------|
| Chris Fling (landman) | 25 mi. | Approx. 10 |
| Jessica LaMarro (geologist) | 20 min. | Approx. 6 |
| Huxley Song (engineer) | 25 min. | Approx. 6 |

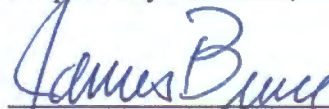
OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
|------------------|------------------|-----------------|

PROCEDURAL MATTERS

Applicant requests that these matters be consolidated for hearing.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

jamesbruc@aol.com

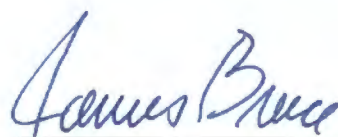
Attorney for Forty Acres Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 10th day of August, 2017 by e-mail:

J. Scott Hall
shall@montand.com

Jordan L. Kessler
jlkessler@hollandhart.com



James Bruce