

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

**APPLICATION OF CML EXPLORATION,
LLC FOR APPROVAL OF A WATERFLOOD
PROJECT, LEA COUNTY, NEW MEXICO**

Case No. 21046

**CML EXPLORATION, LLC'S
PRE-HEARING STATEMENT**

CML Exploration, LLC ("CML") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division ("Division").

APPEARANCES

CML is the applicant in this case. Its business address is P.O. Box 890, Snyder, TX 79550. CML is represented by the undersigned counsel.

STATEMENT OF THE CASE

CML seeks authorization to implement the Maljamar Cisco Waterflood Project by the injection of produced water into the Sanmal Penn Pool within the Cisco formation. The proposed Maljamar Cisco Waterflood Project area will be comprised of 640 acres, more or less, of the following State lands located in Township 17 South, Range 33 East in Lea County: Section 9: NE/4 SW/4, N/2 SE/4, and SE/4 SE/4; Section 10: SW/4 and S/2 SE/4; Section 11: SW/4 SW/4; and Section 15: N/2 NW/4, SE/4 NW/4, and W/2 NE/4. CML proposes to inject produced water into the Beams 15 State No. 3 well (API No. 30-025-41407), which is located 352' FNL and 2094' FEL in Unit B in Section 15, Township 17 South, Range 33 East in Lea County. The proposed injection interval is located in the Cisco formation at a depth of 11,029 to 11,127 feet, and the proposed maximum injection rate is 1,000 barrels per day at a maximum injection pressure of

3,000 psig. CML also requests that the Division authorize CML to obtain administrative approval of additional injection wells within the project area without the necessity of additional hearings. The granting of CML's application will serve the interests of conservation, the prevention of waste, and the protection of correlative rights.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Kyle Kana (Landman)	10 minutes	Approximately 6
Darla Spiers (Geology)	15 minutes	Approximately 4
Nolan Von Roeder (Petroleum Engineer)	15 minutes	Approximately 4

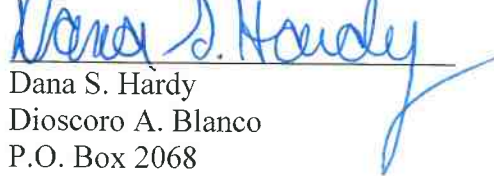
CML reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

CML is not aware of any procedural issues to be addressed at this time.

Respectfully submitted,

HINKLE SHANOR LLP



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