

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

**CASE NO. 13451: APPLICATION OF THE DIVISION THROUGH THE DIRECTOR OF THE
NEW MEXICO UNDERGROUND INJECTION CONTROL PROGRAM TO REVOKE DIVISION
ADMINISTRATIVE PERMIT SWD-966, EDDY COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by the Applicant, the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division

APPLICANT'S ATTORNEY

Gail MacQuesten
Oil Conservation Division
Energy, Minerals and Natural
Resources Department
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RESPONDENT

Lynx Petroleum Consultants, Inc.

RESPONDENT'S ATTORNEY

Respondent has not yet entered an
appearance through counsel.

APPLICANT'S STATEMENT OF THE CASE

On January 20, 2005 the Oil Conservation Division ("OCD") issued administrative order number SWD-966, permitting Lynx Petroleum Consultants, Inc. ("Lynx") to use the Jones Federal "B" Well No. 3 for saltwater disposal in the Yates and Seven Rivers formations. After the order was issued, the OCD's geologist in the Artesia District office expressed a concern that the permitted injection interval may be near the Capitan Reef facies. Upon further review, the examiner who issued the administrative permit also expressed concern regarding the proximity of the injection interval in the well to the Salado formation, and whether the Jones Federal 3-23, located within the area of review, is plugged well enough to prevent vertical movement of injected fluids.

The OCD seeks to revoke administrative order number SWD-966.

APPLICANT'S WITNESSES

WITNESS:

William Jones
Bryan Arrant

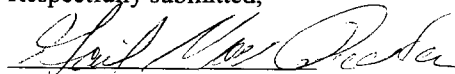
ESTIMATED TIME:

20 min.
20 min.

PROCEDURAL MATTERS

Mr. Arrant may be testifying by telephone.

Respectfully submitted,



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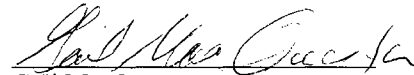
Attorney for the Oil Conservation Division

This 7th day of April 2005.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following by facsimile
this 7th day of April 2005:

Mr. Larry R. Scott
Lynx Petroleum Consultants, Inc.
P. O. Box 1708
3325 Enterprise Drive
Hobbs, NM 88241
Facsimile: 505 392-7886


Gail MacQuesten