

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

APPLICATION OF ALAMO PERMIAN RESOURCES, LLC FOR APPROVAL OF THE HIGH LONESOME QUEEN UNIT, ESTABLISHMENT OF A WATERFLOOD PROJECT, AND CERTIFICATION OF THE WATERFLOOD PROJECT AS AN ENHANCED OIL RECOVERY PROJECT PURSUANT TO THE ENHANCED OIL RECOVERY ACT, EDDY COUNTY, NEW MEXICO.

CASE NO. 15116

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by ALAMO PERMIAN RESOURCES, LLC ("Alamo") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Alamo Permian Resources, LLC
820 Gessner Rd. Suite 1650
Houston, Texas 77024

ATTORNEY

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STATEMENT OF THE CASE

Alamo seeks an order approving (1) unitization of the High Lonesome Queen Unit Area, (2) a corresponding waterflood project for the unit area, and (3) certification of the waterflood project as an enhanced oil recovery project. The Unit Area consists of 680 acres, more or less, of state lands comprising all of Section 16 and the NW/4SW/4 of Section 15, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The unitized interval will extend from the surface to a point one-hundred (100) feet below the base of the Penrose Sand in the Queen formation. Alamo seeks authority to implement waterflood operations within the unit area by

initially injecting produced and make-up water into the Penrose sandstone of the Queen formation underlying this geographic area through six injection wells to be drilled in Section 16. Alamo further requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Finally, Alamo seeks to qualify this waterflood project for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

APPLICANTS PROPOSED EVIDENCE

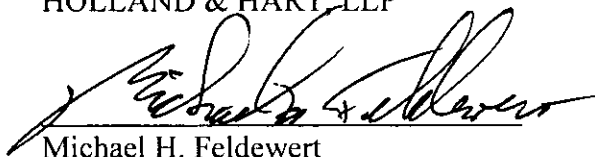
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Tyler Woodruff, Landman	15 minutes	Approx. 4
Tom Fekete, Geology	15 minutes	Approx. 5
H. Patrick Seale, Engineering	30 minutes	Approx. 5 and the filed C-108

PROCEDURAL MATTERS

Alamo has none at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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