

**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 NACOGDOCHES OIL AND
GAS, INC. FOR APPROVAL OF A WATER DISPOSAL
WELL, MCKINLEY COUNTY, NEW MEXICO**

Case No. 14,337

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Nacogdoches Oil and Gas, Inc. ("NOG") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Nacogdoches Oil and Gas, Inc.
P.O. Box 632418
Nacogdoches, Texas 75963

Attention: Mike Finley
(936) 560-4747

APPLICANT'S ATTORNEY

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

OPPONENT

Oil Conservation Division

OPPONENT'S ATTORNEY

Mikal Altomare

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving water disposal into the Entrada formation in the South Hospah Unit Well No. 9, located 330 feet from the north line and 2051 feet from the east line of Section 12, Township 17 North, Range 9 West, NMPM.

NOG has a number of out-of-compliance wells, although it has been diligently working on bringing wells into compliance. NOG's activities are constrained by current limits on its water disposal capabilities, which limits the number of wells which it can produce. Approval of the water disposal application will increase its disposal capability, which will allow it to bring wells into compliance.

OPPONENT**PROPOSED EVIDENCE**APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Mike Allen (V.P. - Engineering)	30 min.	Approx. 5
Mike Dehnisch (V.P. - Operations)	30 min.	Approx. 5
Mike Finley (President)	20 min.	Approx. 5

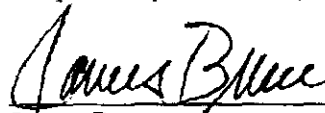
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

The Division has filed a motion requesting that this case be continued due to Case 14326 (a compliance case). Applicant objects to a continuance, because it needs the disposal well to bring wells into compliance. In addition, the witnesses for this application will be in town for the compliance hearing, and it is practical and economic to allow them to testify next Thursday. Applicant will be filing a response in objection to the motion.

Respectfully submitted,



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

Attorney for Nacogdoches Oil and Gas, Inc.

cc: Mikal Altomare