

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

RECEIVED

MAR 25 2003

Oil Conservation Division

IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF ENERQUEST RESOURCES, LLC
FOR APPROVAL OF A WATERFLOOD PROJECT
AND QUALIFICATION OF THE PROJECT AREA
FOR THE RECOVERED OIL TAX RATE PURSUANT
TO THE ENHANCED OIL RECOVERY ACT, LEA
COUNTY, NEW MEXICO.

Case No. 13041

APPLICATION OF ENERQUEST RESOURCES, LLC
FOR STATUTORY UNITIZATION, LEA COUNTY,
NEW MEXICO.

Case No. 13042

ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

This entry of appearance and pre-hearing statement is submitted by
Rocket Oil & Gas Company LP as required by the Oil Conservation
Division.

APPEARANCES

APPLICANT

EnerQuest Resources, LLC

APPLICANT'S ATTORNEY

William F. Carr

OPPONENT

Rocket Oil & Gas Company LP
P.O. Box 22854
Denver, Colorado 80222
(303) 321-0606

OPPONENT'S ATTORNEY

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

Attention: Kevin Preston

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Rocket Oil & Gas Company LP objects to unitization based upon the
participation formula proposed by applicant. The Division should
adopt a formula which allocates hydrocarbons to the interest owners
on a fair and equitable basis.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

Kevin Preston
(engineer)

EST. TIME

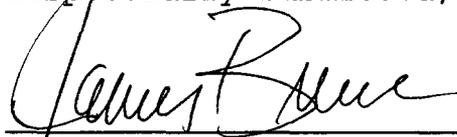
Possible witness

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



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

Attorney for Rocket Oil & Gas Company
LP

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 21st day of March, 2003 by fax and United State Mail:

William F. Carr
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504



James Bruce

MWST

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

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IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSE OF
CONSIDERING:

MAR 21 2003

Oil Conservation Division
CASE NO. 13041

APPLICATION OF ENERQUEST RESOURCES, LLC FOR
APPROVAL OF A WATERFLOOD PROJECT AND
QUALIFICATION OF THE PROJECT AREA FOR THE
RECOVERED OIL TAX RATE PURSUANT TO THE
ENHANCED OIL RECOVERY ACT, LEA COUNTY, NEW
MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Enerquest Resources, LLC
Attn: Mr. Craig Clark
Post Office Box 11190
Midland, Texas 79702
(915) 685-3116

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION

Maralo, Inc.

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

Key Family

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
117 North Guadalupe
Santa Fe, New Mexico 87504-2265
(505) 982-4285

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause, seeks approval of its East Hobbs (San Andres) Unit Waterflood Project by injection of water into the San Andres formations through 19 injection wells located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Section 29: SW/4, SW/4 NW/4
Section 30: S/2, S/2 N/2
Section 31: N/2 N/2
Section 32: N/2 NW/4

The applicant 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 any provisions necessary for such other matters as may be appropriate for said waterflood operations.

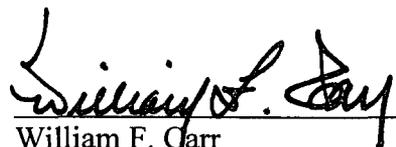
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Craig Clark (Land)	Approx. 20 Minutes	Approx. 7
Chris Bezner (Engineer)	Approx. 30 Minutes	Approx. 10

PROCEDURAL MATTERS

EnerQuest Resources, LLC will request that this application be consolidated for hearing with its application in Case 13042.



William F. Carr
Attorney for EnerQuest Resources, LLC

WVJ

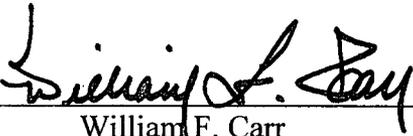
CERTIFICATE OF SERVICE

I certify that on March 21, 2003 I served a copy of the foregoing document to the following
by

U.S. Mail, postage prepaid
Hand Delivery
Fax

James Bruce, Esq.
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Facsimile No. 505-982-2047



William F. Carr

WVJ

KELLAHIN & KELLAHIN Attorney at Law

W. Thomas Kellahin
New Mexico Board of Legal
Specialization Recognized Specialist
in the area of Natural resources-
oil and gas law

P.O. Box 2265
Santa Fe, New Mexico 87504
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Santa Fe, New Mexico 87501

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Facsimile 505-982-2047
kellahin@earthlink.com

March 19, 2003

HAND DELIVERED

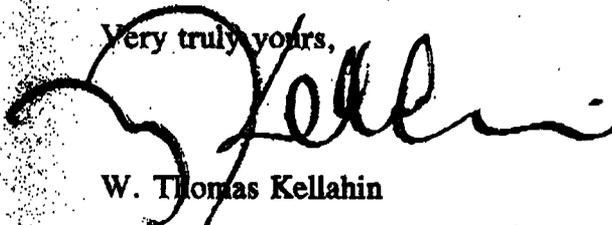
Ms. Lori Wortenberg, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: *NMOCD Case 13001*
NMOCD Case 13002
Applications of EnerQuest Resources, LLC.
for waterflood approval and statutory
unitization of its proposed East Hobbs
(San Andres) Unit
Lea County, New Mexico.

Dear Ms. Wortenberg:

On behalf of the Key Family Group, an adversely affected party,
please find enclosed our Entry of Appearance in the referenced cases.
This entry of appearance is for the purpose of preserving the Key Family
Group's right to a De Novo Hearing. I will not be able to attend the
hearing set for March 27, 2003. The Key Family Group does not plan to
file a prehearing statement or call witnesses for the Division Examiner's
hearing.

Very truly yours,



W. Thomas Kellahin

cc: *William F. Carr, Esq.*
Attorney for EnerQuest Resources, LLC
cc: *The Key Family Group*
Attn: Sam Blackman
Attn: Ed deCordova

WVJJ

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

**APPLICATION OF ENERGY EST RESOURCES, LLC.
FOR APPROVAL OF A WATERFLOOD PROJECT FOR
ITS EAST HOBBS (SAN ANDRES) UNIT,
LEA COUNTY, NEW MEXICO**

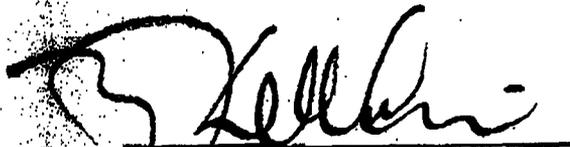
CASE 13041

**APPLICATION OF ENERGY EST RESOURCES, LLC.
FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO**

CASE 13042

ENTRY OF APPEARANCE

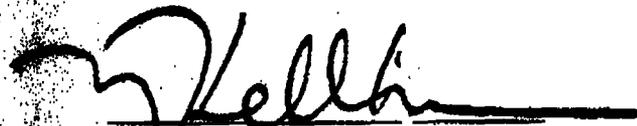
Comes now Julie Ann Hopkins Trust, Mark Coliver Hopkins Trust, Kite Royalty C., LLC, and White Star Royalty, LLC. ("Key Family Group"), by its attorneys, Kellahin and Kellahin, and enters its appearance in this case as an interested party affected by this application.



**W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285**

CERTIFICATE OF SERVICE

I certify that a copy of this pleading was transmitted by facsimile to counsel for applicant this 18th day of March, 2003.


W. Thomas Kellahin

WVST