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

**APPLICATION OF FORTY ACRES ENERGY, LLC
FOR APPROVAL OF A SECONDARY RECOVERY PROJECT
AND TO QUALIFY THE PROJECT FOR THE RECOVERED
OIL TAX RATE, LEA COUNTY, NEW MEXICO**

CASE NO. 15793

PRE-HEARING STATEMENT

LAUREL SETH and SANDY SETH ("Seth"), provisionally provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

LAUREL SETH AND SANDY SETH

LAUREL SETH'S AND SANDY SETH'S
ATTORNEY

J. Scott Hall, Esq.
MONTGOMERY & ANDREWS, P.A.
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APPLICANT

FORTY ACRES ENERGY, LLC

APPLICANT'S ATTORNEY

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STATEMENT OF THE CASE

Applicant Forty Acres Energy, LLC seeks approval to institute a secondary recovery project in the West Eumont Unit Area by the injection of water into the Yates-Seven Rivers-Queen formation in wells located on 7977.30 acres of federal, state, and fee lands covering all or

parts of Sections 21, 22, 26-29, and 32-35 of Township 20 South, Range 36 East, N.M.P.M., and Sections 1-3, 11, and 12 of Township 21 South, Range 35 East, N.M.P.M. Applicant further requests that the secondary recovery project for the West Eumont Unit Area be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L.1992, ch. 38) and Division Regulations.

The Seths are owners or heirs of owners of interests within Applicant's proposed unit. No witness testimony by them or on their behalf is anticipated, but they reserve the right to cross-examine Applicant's witnesses.

PROPOSED EVIDENCE

OPPONENT: LAUREL SETH AND SANDY SETH EST. TIME EXHIBITS

WITNESSES: None.

APPLICANT: FORTY ACRES ENERGY, LLC EST. TIME EXHIBITS

WITNESSES:

PROCEDURAL MATTERS

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

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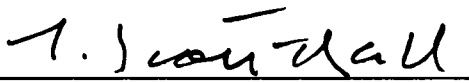
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Attorneys for Laurel Seth and Sandy Seth

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on August 9, 2017:

James Bruce
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Santa Fe, NM 87504
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J. Scott Hall