

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

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AUG 18 2003

Oil Conservation Division

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

CASE NO. 13134

**APPLICATION OF CONOCOPHILLIPS COMPANY FOR
APPROVAL OF A COOPERATIVE LEASE LINE INJECTION
AGREEMENT FOR AN "EXPANDED USE AREA" WITHIN
THE EAST VACUUM GRAYBURG-SAN ANDRES UNIT
PRESSURE MAINTENANCE PROJECT AREA, AND
QUALIFICATION OF THE ACREAGE WITHIN THE
'EXPANDED USE AREA' FOR THE RECOVERED OIL TAX
RATE PURSUANT TO THE NEW MEXICO 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

Ms. Deborah Markley
ConocoPhillips Company
4001 Penbrook
Odessa, TX 79762
(432) 368-1296

ATTORNEY

William F. Carr, Esq.
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STATEMENT OF CASE

APPLICANT

Applicant seeks an order approving the cooperative lease line injection agreement between ConocoPhillips and ChevronTexaco for a 156-acre Expanded Use Area for carbon dioxide injection within the East Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area comprised of portions of the SE/4 of Section 31 and the W/2 of Section 32, Township 17 South, Range 34 East, NMPM and the NW/4 of Section 5, Township 18 South Range 35 East, NMPM. Applicant also seeks to qualify the acreage within the "Expanded Use Area" for the Recovered Oil Tax Rate pursuant to the New Mexico Enhanced Oil recovery Act " (Laws 1992, Chapter 38, Sections 1 through 5). The Expanded Use Area is located approximately 15 miles northwest of Hobbs, New Mexico.

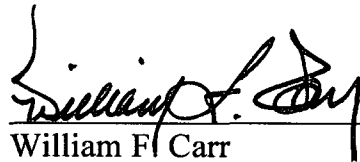
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Sam Johnstone (Petroleum Engineer)	Approx. 15 Minutes	Approx. 8

PROCEDURAL MATTERS

ConocoPhillips Company has none at this time.



William F. Carr
Attorney for ConocoPhillips Company