

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

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

**APPLICATION OF ENERVEST OPERATING LLC
TO AMEND THE UNIT AGREEMENT AND THE
UNIT OPERATING AGREEMENT FOR THE
WEST LOCO HILLS GRAYBURG NO. 4 SAND
UNIT, AND FOR STATUTORY UNITIZATION,
EDDY COUNTY, NEW MEXICO.**

Case No. 14,317

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Enervest Operating LLC
Suite 800
1001 Fannin Street
Houston, Texas 77002

Attention: Ronnie Young

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order amending the Unit Agreement, and statutorily unitizing all mineral and leasehold interests in the Grayburg formation, in the previously approved West Loco Hills Grayburg No. 4 Sand Unit underlying 5307.73 acres of state, federal, and fee lands covering all or parts of Section 36, Township 17 South, Range 29 East, NMPM, Sections 1-4, 9-13, and 15, Township 18 South, Range 29 East, NMPM, and Sections 7 and 18, Township 18 South, Range 30 East, NMPM. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be the joinder of all record title

owners of state and federal leases within the Unit Area, and such other matters as may be necessary and appropriate.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

In this case applicant seeks to unitize the record title owners of state and federal leases (no cost-bearing interests) who have not ratified the amended unit agreement. This is necessary to satisfy State Land Office and Bureau of Land Management regulations for final approval of the amended unit agreement.

THIS MATTER WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

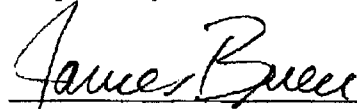
WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
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Attorney for Enervest Operating LLC