

**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 QUALIFY THE WATERFLOOD PROJECT FOR
THE WEST LOCO HILLS GRAYBURG NO. 4 SAND
UNIT FOR THE RECOVERED OIL TAX RATE, EDDY
COUNTY, NEW MEXICO.**

Case No. 14270

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 87501
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant is the operator of the West Loco Hills Grayburg No. 4 Sand Unit, underlying 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166. Applicant proposes to amend the plan of unitization for the Unit Area, and to expand the waterflood project for the Unit Area. These matters are the subject of Case Nos. 14242 and 14243. In this case applicant requests that the expanded waterflood project for the Unit Area be qualified for the recovered oil tax rate, pursuant to the Enhanced Oil Recovery Act (L. 1992, ch. 38) and Division regulations. Project

data includes 7 producing wells and 16 injection wells in phase one of the project and up to 102 producing wells and 131 injection wells upon full development.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

TESTIMONY WAS SUBMITTED IN CASE NOS. 14242 AND 14243 JUSTIFYING THE ENHANCED OIL RECOVERY TAX RATE. APPLICANT REQUESTS THAT THE RECORD IN THOSE CASES BE INCORPORATED IN THE RECORD IN THIS CASE, AND THE MATTER BE TAKEN UNDER ADVISEMENT.

OPPONENT

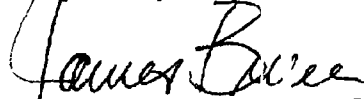
WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
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(505) 982-2043

Attorney for Enervest Operating LLC