

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

2010 JUN 17 P 4: 09

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

**APPLICATION OF VPR OPERATING, LLC TO
ESTABLISH A WATER FLOOD PROJECT IN
THE SAWYER WEST FIELD, LEA COUNTY,
NEW MEXICO**

CASE NO. 14494

APPLICANT'S PRE-HEARING STATEMENT

Pursuant to 19.15.4.13.B NMAC, Applicant VPR Operating, LLC ("VPR") submits its Pre-Hearing Statement.

APPEARANCES

VPR's business address is 1406 Camp Craft Road, Suite 106, Austin, Texas 78746. VPR is represented by the undersigned counsel.

VPR has been served with a Pre-Hearing Statement filed by Michael Harton and David Bilbrey. Messrs. Harton and Bilbrey are represented by Patrick B. McMahon of Heidel, Samberson, Newell, Cox & McMahon.

STATEMENT OF THE CASE

VPR seeks an order approving a water flood project for secondary recovery in the Slaughter zone in the San Andres formation in the NW/NW, SW/NW, and E/2 of the NW/4 and NE/4 of Section 27 and the N/2 of the N/2, the S/2 of the N/2, and the S/2 of Section 28, Township 9 South, Range 37 East, NMPM, In Lea County. VPR proposes the conversion of (6) producing wells to injection wells, a maximum daily rate of injection of 2,000 barrels of water

per day per well, and a maximum injection pressure per well of 1,500 psi. The shallowest perforation in a well that will be utilized for injection is 4,933 feet.

PROPOSED EVIDENCE

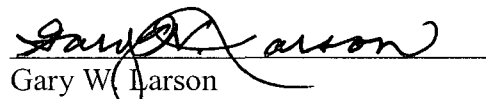
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Robert Pullen (Landman)	15 min.	Approx. 3
Lee Winn (Geologist)	15 min.	Approx. 3
James Huling (Engineer)	15 min.	Approx. 3

PROCEDURAL MATTERS

VPR is not aware of any procedural matters that require resolution.

Respectfully submitted,

HINKLE, HENSLEY, SHANOR &
MARTIN, LLP



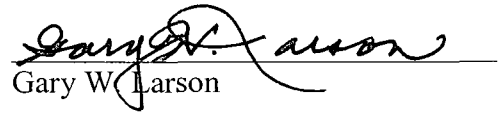
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Attorneys for VPR Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of June, 2010, I sent a true and correct copy of the foregoing *Applicant's Pre-Hearing Statement* via email to:

Patrick B. McMahon, Esq
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Gary W. Larson