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

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

FEB 16 2004

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

CASE NO. 13220

APPLICATION OF MACK ENERGY CORPORATION FOR APPROVAL OF A SALT WATER DISPOSAL WELL, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil

Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Mack Energy Corp. Attn: Ron Lanning Post Office Box 960 Artesia, NM 88211 (505) 748-1288 William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval to utilize its Federal 18 Well No. 2 (API No. 30-025-01669) located 1980 feet from the North line and 2039 feet from the West line (Unit F) of Section 18, Township 19 South, Range 33 East, to dispose of produced water into the Yates and San Andres formations from a depth of 3213 feet to 3256 feet. This well is located approximately 15 miles southeast of Loco Hills, New Mexico.

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PROPOSED EVIDENCE

APPLICANT

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WITNESSES

EST. TIME

EXHIBITS

Matt Brewer

Approx. 20 min.

Approx. 8

(Geologist/Petroleum Engineer)

PROCEDURAL MATTERS

Mack Energy Corp. has none at this time.

William F. Cabr Attorney for Mack Energy Corp.

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