

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

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

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR SALT WATER
DISPOSAL, EDDY COUNTY, NEW MEXICO.

RECEIVED
OCT 17 1997
Oil Conservation Division
CASE NO. 11848

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Santa Fe Energy
Resources, Inc.
Suite 1330
550 West Texas
Midland, Texas 79701
(505) 686-6709
Attn: Don Rogers

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 operates the Jones Canyon "4" Fed. Well No. 2, located in the S½ of Section 4, Township 22 South, Range 24 East. The well has been drilled to the Cisco/Canyon formations (Indian Basin-Upper Pennsylvanian Associated Pool). Applicant proposes to (1) re-enter the well and deepen it to the Montoya formation, (2) complete the well in the Cisco/Canyon formations, and (3) install a downhole separator system. Applicant will then produce oil, gas, and water from the Cisco/Canyon formations, separate the bulk of the water therefrom, and dispose of the produced water into the Devonian and Montoya formations.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
<u>(Geologist)</u>	10 min.	(a) Structure map of the Cisco-Canyon (b) Production map (c) Devonian structure map (d) Devonian cross-section
Don Rogers (Engineer)	20 min.	(a) C-108 (b) Wellbore schematic (c) Notice affidavit

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

-None-



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Attorney for Santa Fe Energy Resources, Inc.