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:

CASE NO. 11929

APPLICATION OF MOBIL EXPLORATION & PRODUCING TX & NM INC. FOR THREE HORIZONTAL INJECTION WELLS, AN ADMINISTRATIVE PROCEDURE FOR APPROVAL OF FUTURE HORIZONTAL INJECTION WELLS, AND QUALIFICATION OF THESE WELLS FOR THE RECOVERED OIL TAX RATE, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This prehearing statement is submitted by Mobil Exploration & Producing TX & NM Inc. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Ms. Shirley Houchins Mobil Exploration & Producing TX & NM Inc. 500 West Illinois - Room 900 Midland, Texas 79701 Edmund H. Kendrick

OPPOSITION OR OTHER PARTY

None expected.

ATTORNEY

ATTORNEY

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STATEMENT OF CASE

APPLICANT SEEKS:

- (1) Authorization to inject fresh water into three horizontal wells within the Mobil North Vacuum Abo Pressure Maintenance Project in Lea County;
- (2) Determination of an administrative procedure for consideration of future applications by Applicant for horizontal injection wells in the Project area;
- (3) Approval of the subject three horizontal injection wells as an expansion of an existing enhanced oil recovery project to qualify for the recovered oil tax rate under the Enhanced Oil Recovery Act; and
- (4) Certification of a positive production response for the expansion of the existing enhanced oil recovery project.

OPPOSITION OR OTHER PARTY

None expected.

PROPOSED EVIDENCE

APPLICANT

	WITNESSES	ESTIMATED TIME	EXHIBITS
(1)	Mark Meeks operations engineer	10 minutes	5 exhibits re history of Mobil North Vacuum Abo Pressure Maintenance Project
(2)	Chris Cuyler geologist	20 minutes	3 exhibits re proposed horizontal injection wells

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(3) Marc Calvin reservoir engineer 10 minutes

4 exhibits re EOR expansion in support of tax rate under the Enhanced Oil Recovery Act

OPPOSITION

None expected.

PROCEDURAL MATTERS

None expected.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By

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Attorneys for Mobil Exploration & Producing TX & NM Inc.