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**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. 12023

APPLICATION OF HANAGAN
PETROLEUM CORPORATION FOR
AMENDMENT OF DIVISION ORDER
NO. 8611 TO AUTHORIZE A 40-ACRE
FIVE SPOT INJECTION PATTERN
IN ITS TWIN LAKES SAN ANDRES UNIT
WATERFLOOD PROJECT AREA, AND
TO QUALIFY THIS PROJECT FOR THE
RECOVERED OIL TAX RATE PURSUANT
TO THE ENHANCED OIL RECOVERY ACT,
CHAVES COUNTY, NEW MEXICO.

OIL CONSERVATION DIV.
98 JUL 30 PM 3: 10

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Hanagan Petroleum Corporation
c/o Mike Hanagan
Post Office Box 1737
Roswell, NM 88202-1737
(505) 623-5053

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

INTERESTED PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Hanagan Petroleum Corporation, applicant in the above-styled cause, seeks approval to institute a 40-acre five spot injection pattern in its Twin Lakes San Andres Unit Waterflood Project Area by the injection of water into the San Andres formation in the Twin Lakes-San Andres Associated Pool. The Twin Lakes San Andres Unit Waterflood Project encompasses portions of Townships 8 and 9 South, Range 28 and 29 East. Applicant also seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

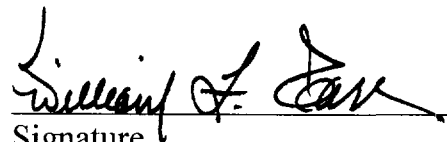
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mike Hanagan, Petroleum Engineer	20 Min.	Approximately 6

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature