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5-26-00

**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: 12112 (REOPENED)**

OL CONSERVATION DIVISION  
00 MAY 26 PM 12:34

**APPLICATION OF GP II ENERGY, INC. FOR APPROVAL OF A WATERFLOOD  
PROJECT AND QUALIFICATION OF THE PROJECT FOR THE RECOVERED  
OIL TAX RATE PURSUANT TO THE ENHANCED OIL RECOVERY ACT, EDDY  
COUNTY, NEW MEXICO.**

**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**

GP II Energy, Inc.  
Attn: Manny Sirgo  
3300 North A Street, Suite 110  
Midland, TX 79705  
(915) 685-0878

**ATTORNEY**

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

## STATEMENT OF CASE

### APPLICANT

**Application of GP II Energy, Inc. for Approval of a Waterflood Project and Qualification of the Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico.** Applicant seeks approval of its Square Lake Unit Waterflood Project by injection of water into the Grayburg and San Andres formations through 23 injection wells located in the following described area:

Township 16 South, Range 30 East, NMPM

Section 25: E/2

Section 36: N/2

Township 16 South, Range 31 East, NMPM

Section 19: S/2

Section 20: S/2

Section 27: SW/4, S/2 NW/4, NW/4 NW/4,  
S/2 SE/4, NW/4 SE/4, SW/4 NE/4

Section 28 through 34: All

Applicant requests that the Division establish procedures for administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for waterflood operations. Applicant further 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). this area is located approximately 5 miles northeast of Loco Hills, New Mexico.

**PROPOSED EVIDENCE**

APPLICANT

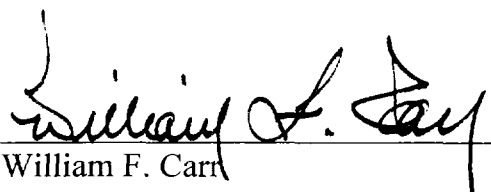
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Manny Sirgo, III (Landman)	Approx. 30 min.	Approx. 5

OPPOSITION

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

GP II, Energy, Inc. has none at this time.

  
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William F. Carr  
Attorney for GP II Energy, Inc.