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OIL CONSERVATION DIV.  
29 OCT 14 AM 3:40

**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. 12271

APPLICATION OF TRIUMPH EXPLORATION, INC.  
FOR AMENDMENT OF DIVISION ORDER NO. R-9082 TO AUTHORIZE  
A TERTIARY RECOVERY PROJECT BY MICRO EMULSION FLOODING  
IN ITS TONTO LEASE PROJECT AREA, AND TO QUALIFY THIS  
PROJECT FOR THE RECOVERED OIL TAX RATE  
PURSUANT TO THE ENHANCED OIL RECOVERY ACT,  
LEA 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**

Triumph Exploration  
Attn: Stella Swanson  
P.O. Box 10282  
Midland, TX 79702-7280  
(405) 982-1935 ext. 115

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  
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**OPPOSITION OR OTHER PARTY**

NM&O Operating Company  
6 East 5th Street, Suite 200  
Tulsa, OK 74103

**ATTORNEY**

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, NM 87504

## **STATEMENT OF CASE**

### **APPLICANT**

Applicant seeks approval to institute a secondary recovery project in its Tonto Lease Project Area by micro emulsion flooding of the Yates-Seven Rivers formation in the South Tonto Yates-Seven Rivers Pool. This project area encompasses the SW/4, NE/2 SE/4 and the SE/4 SE/4 of Section 30, Township 19 South, Range 33 East. Applicant also seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Sections 7-29-A-1 through 7-29-A-5, NMSA 1978). The lease is located approximately 24 miles west of Hobbs, New Mexico.

### **OPPOSITION OR 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

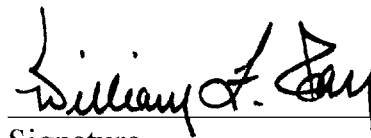
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Stella Swanson (Landman)	10 minutes	4 exhibits
Randall R. Foster (Petroleum Engineering)	20 minutes	3 exhibits
H.L. Atnipp (Petroleum Engineering)	15 minutes	0 exhibits

#### OPPOSITION

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

None at this time.

  
\_\_\_\_\_  
Signature

***Examiner Hearing – October 21, 1999***

***Docket No. 32-99***

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**CASE 12270:**     **Application of BTA Oil Producers for Rescission of Division Order Nos. R-9009 and R-9009-A , Lea County, New Mexico.** Applicant seeks rescission of Division Order Nos. R-9009 and R-9009-A to enable it to operate the Maxus "B" 8026 JV-P Well Nos. 1, 2 and 3 located in Units P, N and B respectively of Section 34, Township 22 South, Range 34 East, in accordance with Division rules. The area is located approximately 16 miles northwest of Jal, New Mexico. ***In the absence of objection, this matter will be taken under advisement***

**CASE 12252:**     **Continued from October 7, 1999, Examiner Hearing.**

**Application of Enron Oil & Gas Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian Chester formation underlying the following described acreage in Section 4, Township 17 South, Range 28 East, in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Dog Canyon-Strawn Gas Pool and the Undesignated Southeast Crow Flats-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; the E/2 SE/4 to form a standard 80-acre spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent; and the SE/4 SE/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. Applicant proposes to dedicate these pooled units to its Amtrak State Com. Well No. 1 to be drilled at a standard location 660 feet from the South and East lines (Unit P) of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling and completing the well. The units are located approximately 13 miles northwest of Loco Hills, New Mexico.

**CASE 12271:**     **Application of Triumph Exploration, Inc. for Amendment of Division Order No. R-9082 to Authorize a Tertiary Recovery Project by Micro Emulsion Flooding in its Tonto Lease Project Area, and to Qualify this Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval to institute a secondary recovery project in its Tonto Lease Project Area by micro emulsion flooding of the Yates-Seven Rivers formation in the South Tonto Yates-Seven Rivers Pool. This project area encompasses the SW/4, N/2 SE/4 and the SE/4 SE/4 of Section 30, Township 19 South, Range 33 East. Applicant also seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 24 miles west of Hobbs, New Mexico.

**CASE 12272:**     **Application of Falcon Creek Resources, Inc. for authority to inject water into six wells in the proposed Teas-Yates Seven Rivers Unit Waterflood Project Area, Lea County, New Mexico.** Applicant seeks approval to inject water into the Yates and Seven Rivers formations, West Teas-Yates Seven Rivers Pool, through 6 wells in its proposed Teas-Yates Seven Rivers Unit Waterflood Seven Rivers Pool, located in the following area:

Township 20 South, Range 33 East:

Section 4: SE/4

Section 9: N/2

Section 16: NE/4

This area is located approximately 5 miles northeast of the intersection of New Mexico Highways 176 and 62/180.

**CASE 12236:**     **Continued from September 2, 1999, Examiner Hearing.**

**Application of Prairie Sun, Inc. for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation through the base of the Morrow formation underlying the E/2 of Section 28, Township 23 South, Range 29 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within this vertical extent. The unit is to be dedicated to the existing Laguna Grande Well No. 1 located 1380 feet from the South line and 990 feet from the East line (Unit I) of Section 28. Also to be considered will be the cost of re-entering and recompleting the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in re-entering and recompleting the well. The unit is located approximately 7 1/2 miles east of Lovington, New Mexico.