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. 12506

THE APPLICATION OF SAPIENT ENERGY CORPORATION TO EXEMPT THE WEST TEAS UNIT FROM SALT PROTECTION STRING REQUIREMENTS, 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

Sapient Energy Corporation Attn: Lynn Becker 621 17th Street, Suite 1800 Denver, CO 80293-0621 (303) 675-0007 ext. 154

ATTORNEY

Michael H. Feldewert, Esq. Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 Pre-hearing Statement NMOCD Case No. 12506 Page 2

STATEMENT OF CASE

<u>APPLICANT</u>

The Applicant seeks modification of Division Order R-10432 to expand the area exempt from the salt protection string requirements of Division Order R-111-P to include the entire West Teas (Yates-Seven Rivers) Unit Area boundary, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order R-111-P for production and injection wells to be located in portions of Sections 4, 9, 16 and 17, Township 20 South, Range 33 East, and to be drilled in the West Teas (Yates-Seven Rivers) Pool. The subject area is located north of Highways 176 and 180 and is approximately 1 mile east of Laguna Gatuna, Mew Mexico.

PROPOSED EVIDENCE

APPLICANT		
WITNESSES	EST. TIME	EXHIBITS
Lynn Becker (Landman)	Approx. 15 min.	Approx. 6
Joe Cox (Petroleum Engineer)	Approx. 15 min.	Approx. 5

PROCEDURAL MATTERS

Sapient Energy Corporation has none at this time.

Michael H. Feldewert Attorney for Sapient Energy Corporation