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MEMO: Florene: Enclosed for filing is a pre-hearing statement in Case 12756.

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:

APPLICATION OF ARCH PETROLEUM INC. FOR A PILOT PRESSURE MAINTENANCE PROJECT, ETC. LEA COUNTY, NEW MEXICO.

Case No. 12756

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANTAPPLICANT'S ATTORNEYArch Petroleum Inc.James BrucePost Office Box 10340Post Office Box 1056Midland, Texas 79702Santa Fe, New Mexico 87504Attention: Thomas R. Land(505) 982-2043

Attention: Thomas R. Land (915) 685-8126

OPPONENT

STATEMENT OF THE CASE

APPLICANT

Applicant seeks approval to institute a pilot pressure maintenance project in the Teague Paddock-Blinebry Pool on Federal Lease LC 030187 insofar as it covers the E½NE¼ of Section 21 and the W½NW¼ of Section 22, Township 23 South, Range 37 East, NMPM, by the injection of water into the C.E. Lamunyon Well No. 79, located in Unit H of Section 21. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

<u>OPPONENT</u>

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> Thomas R. Land (landman)	<u>EST. TIME</u> 10 min.	<u>EXHIBITS</u> Three
Glenn H. Curry (geologist)	15 min.	Five
Mark V. Kelly (engineer)	20 min.	Three

<u>OPPONENT</u>

<u>WITNESSES</u>

<u>EST. TIME</u>

<u>EXHIBITS</u>

PROCEDURAL MATTERS

-None-

Respectfully submitted,

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James Bruće Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Arch Petroleum Inc.