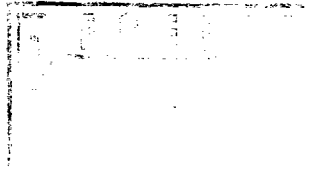


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



APPLICATION OF CROSS TIMBERS
OPERATING COMPANY FOR A WATERFLOOD
PROJECT, LEA COUNTY, NEW MEXICO.

CASE NO. 10,822

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Cross Timbers Operating
Company
Post Office Box 50847
Midland, Texas 79710
(915) 682-8873
Attention: Gary L. Markestad

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks to convert its State "BY" Well No. 6 to injection, and use said well for a secondary recovery project on its State "BY" Lease (in the Grayburg formation).

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Gary L. Markestad (Engineer)	25 minutes	(a) Form C-108. (b) Water Analysis. (c) Notice Affidavit.

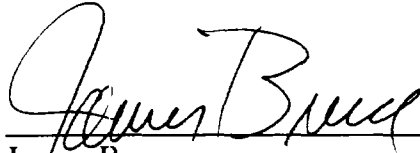
OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Cross Timbers Operating Company