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 PHILLIPS PETROLEUM COMPANY FOR A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 10845

APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR APPROVAL OF A WATERFLOOD PROJECT AND QUALIFY SAID PROJECT FOR THE RECOVERED OIL TAX RATE, LEA COUNTY, NEW MEXICO.

CASE NO. 10846

CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Phillips Petroleum Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762 Attn: Elizabeth Harris, Esq. Santa Fe, NM 87504 (915) 368-1278

W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 (505) 982-4285

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STATEMENT OF CASE

APPLICANT

Phillips seeks Division approval of its Vacuum Glorieta East Unit and Waterflood Project.

Phillips further seeks to qualify said expansion for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act.

This is the eastern portion of the Vacuum Glorieta Pool which will be operated by Phillips pursuant to a voluntary agreement. The western portion is operated by Texaco pursuant to statutory unitization and has already been approved by Division Orders R-9710 and R-9714.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Keith Maberry (P.E.)	45 min.	est. 10 exhibits
Mary Tisdale (geologist)	15 Min.	est. 4 exhibits
Paul Hall (landman)	10 min.	est. 4 exhibits

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PROCEDURAL MATTERS

None applicable at this time.

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