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FAX COVER SHEET

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COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

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MEMO: David: Enclosed is my pre-hearing statement in Cases 12207 and 12208.

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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 ST. MARY LAND &
EXPLORATION COMPANY FOR STATUTORY
UNITIZATION, EDDY AND LEA COUNTIES,
NEW MEXICO.

Case No. 12207

APPLICATION OF ST. MARY LAND &
EXPLORATION COMPANY FOR APPROVAL
OF A WATERFLOOD PROJECT, ETC.,
EDDY AND LEA COUNTIES, NEW MEXICO.

Case No. 12208

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

St. Mary Land &
Exploration Company
Suite 1100
1776 Lincoln Street
Denver, Colorado 80203

Attention: B. Lynne Ellison
(303) 863-4317

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Intoil, Inc.

OPPONENT'S ATTORNEY

William F. Carr

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interests in the Brushy Canyon formation of the Delaware Mountain Group, East Shugart-Delaware Pool, underlying 604.12 acres, more or less, of federal lands in the following described area:

Township 18 South, Range 31 East, NMPM
 Section 13: S $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 24: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

Township 18 South, Range 32 East, NMPM
 Section 18: Lot 4
 Section 19: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

The unit is to be designated the East Shugart (Delaware) Unit.

Applicant also seeks approval of its East Shugart (Delaware) Unit Waterflood Project by the injection of water into the Brushy Canyon formation of the Delaware Mountain Group through 9 wells located in the above described area. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
B. Lynne Ellison (Landman)	20 min.	10
Robert Bachman (Geologist)	20 min.	6
Robert Lee (Engineer)	40 min.	10
Raj Prasad (Reservoir Simulation)	20 min.	3

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

-None-