

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

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

APPLICATION OF JLA RESOURCES COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT, UNORTHODOX OIL WELL
LOCATION, AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 15,225

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

JLA Resources Company
Suite 200
3600 Old Bullard Road
Tyler, Texas 75701

Attention: Phillip R. Rice
(214) 696-1762

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Devonian formation (Southwest Gladiola-Devonian Pool) comprised of the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2, Township 13 South, Range 37 East, N.M.P.M, Lea County, New Mexico, approving an unorthodox oil well location in the Devonian formation, and pooling all mineral interests in the Devonian formation underlying the non-standard unit. Applicant proposes to drill the Kinsolving 2 Well No. 1 at an unorthodox location 1750 feet from the north line and 30 feet from the east line of Section 2, to a depth sufficient to test the

Devonian formation, and will dedicate the SW/4NW/4 of Section 1 and SE/4NE/4 of Section 2 to the well. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Sojourner Drilling Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Phillip R. Rice (landman)	15 min.	Approx. 6
George Scott III (geologist)	20 min.	Approx. 6

OPPONENT

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

-None-

Respectfully submitted,



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

Attorney for JLA Resources Company