

(11)

**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 MCKAY OIL CORPORATION  
TO AMEND THE SPECIAL RULES AND  
REGULATIONS FOR THE WEST PECOS SLOPE-  
ABO GAS POOL, CHAVES COUNTY, NEW MEXICO.**

**Case No. 13,976**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

McKay Oil Corporation  
P.O. Box 2014  
Roswell, New Mexico 88202

**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 amending the special rules and regulations for the West Pecos Slope-Abo Gas Pool. Division Order No. R-9976, as amended, instituted special rules and regulations for the pool including: (i) 160 acre well units; (ii) wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line; and (iii) two wells per well unit. Applicant requests that the special rules and regulations for the Pool be amended to provide for: (a) four wells per well unit, whether they are vertical or horizontal wells; (b) wells to be located no closer than 330 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line, subject to the directional drilling provisions of NMAC 19.15.3.111; (c) an administrative procedure for an exception to the well density provisions of the amended rules; and (d) a buffer zone whereby the amended rules will not apply to any quarter section adjoining any other Division-designated Abo gas pool. The pool includes all or parts of

Township 5 South, Ranges 21-22 East, N.M.P.M., Township 6 South, Ranges 22-23 East, N.M.P.M., Township 7 South, Ranges 22-23 East, N.M.P.M., Township 8 South, Ranges 22-23 East, N.M.P.M., and Township 9 South, Ranges 22-23 East, N.M.P.M.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jim Schultz (landman)	15 min.	Approx. 4
John Home (Geologist)	40 Min.	Approx. 12
_____ (engineer)	15 min.	Approx. 4

OPPONENT

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

The geologist will make a power point presentation, so applicant requests that the hearing room be properly prepared.

Respectfully submitted,



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

Attorney for McKay Oil Corporation