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: RECEIVED

APR 2 8 1995

Oil Conservation Division

CASE NO. 11191

THE APPLICATION OF GREAT WESTERN DRILLING COMPANY AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by GREAT WESTERN DRILLING COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Great Western Drilling Co. P. O. Box 1659 Midland, Texas 79702 Attn: Dennis Hendrix (915) 682-5241 W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 Santa Fe, NM 87504 (505) 982-4285 Pre-Hearing Statement Case No. 11191 Page 2

STATEMENT OF CASE

APPLICANT:

Great Western Drilling Company is the operator for and a working interest owner in the Glenn Cleveland Well No. 1 which is an existing well located 660 feet FSL and 1980 feet FEL (Unit O) of Section 7, T15S, R35E, NMPM Lea County, New Mexico. Great Western seeks approval to produce this well as a Morrow gas well at an unorthodox gas well location dedicated to the E/2 of Section 7.

This well was originally permitted as a Strawn oil test to be drilled at a standard oil well location and to be drilled to a depth of 12,500 feet.

Between October 1 and October 4, 1982, the well had been drilled into the Atoka formation to a depth of 10,425 feet.

Between October 7 and October 21, 1982, Great Western continued to drill to a total depth of 13,036 feet into the Morrow formation.

On October 28, 1982, Great Western filed form C-103 amending its APD to show that it had drilled to a total depth of 13,036 into the Morrow formation.

The lower zones in the well were squeezed-off and the well was subsequently completed as an oil well in the Morton-Wolfcamp Pool from which it produced a cumulative total of approximately 28,000 barrels of oil.

Great Western has abandoned the Wolfcamp formation and has now recompleted the well to test for production from the Morrow formation. The initial flowing tests of approximately 100 MCFPD indicates the well to be a marginal producer of gas in the Morrow formation. Pre-Hearing Statement Case No. 11191 Page 3

Great Western desires to attempt to recover gas from the Morrow formation at this location and accordingly seeks approval of this unorthodox gas well location.

Morrow production in this immediate area is highly erratic and is of limited areal extent and therefore production will not violate correlative rights of any offsetting interest owners and continued production will recover gas not otherwise recoverable thereby preventing waste.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Russell Richards (geologist) Joe Clement (petroleum engineer)		4 exhibits 4 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: W. Thomas Kellahin P.O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285