

**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:

CASE NO. 11194

RECEIVED

JUN 12 1995

Oil Conservation Division

APPLICATION OF GILLESPIE-CROW, INC. FOR
PRESSURE MAINTENANCE AND EOR QUALIFICATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 11195

APPLICATION OF GILLESPIE-CROW, INC. FOR
STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by SNYDER RANCHES, INC.
AND LARRY SQUIRES as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
Gillespie-Crow, Inc.
Midland, Texas

ATTORNEY
Jim Bruce, Esq.
P. O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

OPPONENT
Snyder Ranches, Inc.
Larry Squires
P. O. Box 2158
Hobbs, N.M. 88240
(915) 682-5241

ATTORNEY
W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

OPPONENT:

Snyder Ranches, Inc. and Larry Squires are royalty owners for oil & gas leases which are identified as constituting Tract 6 under the proposed West Lovington Strawn Unit.

Applicant's proposed unit shape, reservoir parameters and participation formula fail to provide "relative value" to Tract 6 as required by Section 70-7-4(J) NMSA (1978), as amended and, unless corrected by the Division, the correlative rights of Snyder Ranches, Inc. and Larry Squires will be violated.

Snyder Ranches, Inc. and Larry Squires will present geologic and petroleum engineer evidence to demonstrate:

(a) the appropriate distribution of reservoir pore volume with corresponding reservoir parameters and the proper relative value to be attributed to Tract 6; and

(b) an appropriate participation formula to allow the owners of Tract 6 the opportunity to recover their proportionate share of the total recoverable hydrocarbons from the unit.

Snyder Ranches, Inc. and Larry Squires request the Division to issue a Statutory Unitization order which utilizes the Snyder Ranches participation formula and reservoir parameters and rejects those proposed by the Applicant.

PROPOSED EVIDENCE

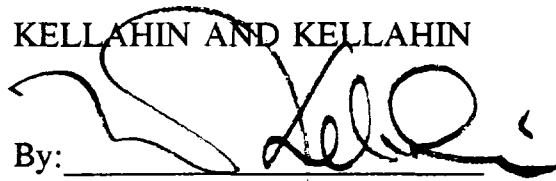
OPPONENT

WITNESSES	EST. TIME	EXHIBITS
Michael Clemenson (geologist)	1 Hr.	est. 6 exhibits
Terry Payne (petroleum engineer)	1 Hr.	est. 10 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN



By: _____

W. Thomas Kellahin

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