

**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:

FILE

JAN 27

CASE NO. 11201

APPLICATION OF DALEN RESOURCES OIL & GAS CO.
FOR POOL CREATION, AND SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by DALEN Resources Oil & Gas Co. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

DALEN Resources Oil & Gas Co.
6688 N. Central Expressway
Dallas, Texas 75206-3922
attn: Jerry Anderson
(214) 750-3800

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

DALEN Resources Oil & Gas Co. has drilled, completed and now operates its Shipp "20" Well No. 1, located 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 20, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. This well constitutes a "new oil discovery" for the production of oil from the Strawn formation.

The nearest Strawn oil production is some two miles to the northeast in the Humble City-Strawn Pool and some 1-1/4 miles to the north in the Midway-Strawn Pool.

Based upon this discovery, DALEN Resources Oil & Gas Co. seeks the creation of a new pool to be designated the Opal-Strawn Pool which shall be defined as all of the Strawn formation as identified on the log of the discovery well, the top of which is located at approximately 10,854 feet and the bottom of which is located approximately 10,971 feet with an initial pool boundary consisting of:

TOWNSHIP 17 SOUTH, RANGE 37 EAST
Section 20: S/2 NE/4

In addition, DALEN Resources Oil & Gas Co. requests the adoption of the following Special Rules and Regulations for this pool:

- (a) 80-acre oil spacing and proration units;
- (b) with no more than one producing well for each 80-acre spacing or proration unit;
- (c) well locations within 150 feet of the center of a governmental quarter-quarter section;
- (d) a special limiting gas oil ratio of 2,000 cubic feet of gas per barrel of oil;

(e) a special depth bracket maximum oil allowable of 320 barrels of oil per day per oil spacing unit;

(f) that each well completed or recompleted in the Opal-Strawn Pool or the Strawn formation within one mile thereof, shall be spaced, drilled operated and produced in accordance with these special rules.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Jerry Anderson (landman)	15 min.	2 exhibits
Ralph Nelson (geologist)	20 Min.	4 exhibits
George Vaughn (petroleum engineer)	20 Min.	3 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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