

**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 3 1995

Oil Conservation Division

CASE NO. 11242

THE APPLICATION OF CONOCO INC. FOR
AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Conoco Inc.
10 Desta Drive West
Midland, Texas 79705-4500
Attn: Jerry Hoover
(915) 686-6548

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

Conoco Inc. is a working interest owner in the N/2 of Section 32, Township 19 South, Range 25 East, Eddy County, New Mexico

Conoco proposes to drill its Savannah Well No. 1 at an unorthodox gas location 660 feet FNL and 660 feet FEL (Unit A) in Section 32 with dedication of a standard 320-acre spacing and proration unit consisting of the N/2 of said Section 32 for the Boyd-Morrow Gas Pool and being a standard location for production from the Cisco formation of the North Dagger Draw-Upper Pennsylvanian Pool to which a standard 160-acre spacing and proration unit consisting of the NE/4 of said Section 32 will be dedicated.

The Morrow formation at this location is within one mile of the current boundary of the Boyd-Morrow Gas Pool.

The Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool provide, among other things, for 160-acre proration and spacing units for either oil or gas production with wells located no closer than 660 feet to the nearest boundary of the tract, nor closer than 330 feet to any quarter-quarter section of subdivision inner boundary.

This well is to be drilled vertically through the Cisco formation and then intentionally deviated to intersect a bottom hole target within 100 feet of a point 1100 feet from the East line and 1100 feet from the North line from said Section 32.

Based upon geological considerations and in order to maximize the opportunity to encounter the Morrow formation at its most favorable location in this spacing unit while providing an opportunity within the NE/4 of said Section 17 for a Cisco well in the North Dagger Draw-Upper Pennsylvanian Pool, Conoco Inc. proposes to locate the well in the Morrow formation at an unorthodox gas well location.

The proposed location will afford to Conoco Inc. and the interest owners in the proposed well the optimum location at which to test for both Morrow or Cisco production.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Jerry Hoover (petroleum engineer)	15 Min.	est. 4 exhibits
Bill Hardy (geologist)	30 Min.	est. 4 exhibits
Robert Beamer (petroleum engineer)	20 Min.	est. 4 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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