

**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
DEC 1 1995
Oil Conservation Division

CASE NO. 11433

APPLICATION OF ORYX ENERGY COMPANY
FOR AN UNORTHODOX INFILL GAS WELL LOCATION,
AND SIMULTANEOUS DEDICATION
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by ORYX ENERGY COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ORYX ENERGY COMPANY
P. O. Box 2880
Dallas, Texas 75221-1880
Attn: C. Michael Malone
(214) 715-3137

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

Oryx Energy Company, has the right to drill and test for Pennsylvanian gas production in Section 17, T22S, R23E, N.M.P.M, Eddy County, New Mexico.

The proposed gas well will be located within the current boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool.

The subject pool was created by Order R-2440 dated March 1, 1963 and was initially spaced on 640 acre spacing, Rule 2(A), with Rule 2(B) setting standard well locations to be no closer than 1650 feet to the outer boundary of the spacing unit. On April 14, 1965, the Division entered Order R-1670-F in Case 3237 which established gas proration for the pool.

The existing well in Section 17 is the Bogel Flats Unit Well No. 9 located 2035 feet from the North line and 1650 feet from the West line (Unit G) which has become a marginal producer.

The proposed Bogel Flats Unit Well No. 13 will be an "infill" well and will be drilled at an unorthodox location in order to gain sufficient structural position in its spacing unit to attempt to recover any remaining recoverable gas reserves underlying Section 17 and thereby protect correlative rights.

Oryx proposes to drill its Bogel Flats Unit Well No. 13 at an unorthodox gas well location 1020 feet from the North and 750 feet from the East lines of Section 17.

Until such time as the Bogel Flats Unit Well No. 9 has "watered out", Oryx seeks approval to drill, operate and produce the maximum gas allowable assigned to this spacing unit from either or both of these two wells in any combination. Once the Bogel Flats Unit Well No. 9 is

completely watered out, the Oryx seeks approval to produce the spacing and proration unit's gas allowable from the Bogel Flats Unit Well No. 13.

Subject to Division approval, Oryx and the affected offset operator have entered into an agreement for a 69.5 % allowable as an appropriate production limitation for this spacing unit.

PROPOSED EVIDENCE

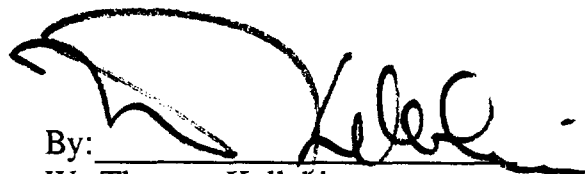
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Roy Wolin (geologist)	20 min.	@ 3
Larry Phillips (reservoir engineer)	20 min.	@ 4

PROCEDURAL MATTERS

NONE.

KELLAHIN AND KELLAHIN



By: _____
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico