

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. 11514

THE APPLICATION OF
READ & STEVENS, INC.
FOR AN UNORTHODOX INFILL
GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION,
CHAVES COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by UMC Petroleum Corporation as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Read & Stevens, Inc.
United Bank Plaza
410 N. Penn, Suite 1000
Roswell, NM 88202

ATTORNEY

Ernest L. Padilla
PADILLA LAW FIRM, P.A.
P.O. 2523
Santa Fe, NM 87504-2523
(505) 988-7577

OPPOSITION OR OTHER PARTY

UMC Petroleum Corporation
410 17th Street
Suite 1400
Denver, CO 80202
Attn: Bob Mowry

ATTORNEY

James Bruce, Esq.
Hinkle, Cox, Eaton, Coffield
& Hensley, L.L.P.
Post Office Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554

STATEMENT OF CASE

APPLICANT

OPPOSITION

Applicant seeks approval for an unorthodox infill gas well location in the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool, for a well to be drilled 900 feet from the South line and 1980 feet from the West line (Unit O) of Section 26, Township 15 South, Range 27 East. Said well is to be simultaneously dedicated with Applicant's existing Harris Federal Well No. 4, located at a standard gas well location in Unit P of Section 26, to form a standard 320-acre gas spacing and proration unit comprising the S½ of Section 26. The proposed well is unnecessary to adequately drain the reservoir, and the application should be denied.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES

EST. TIME

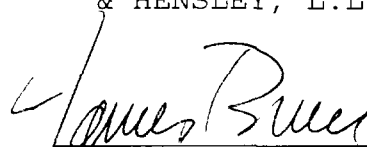
EXHIBITS

UMC may present a
petroleum engineer

PROCEDURAL MATTERS

UMC has requested a two-week continuance due to the unavailability of its engineer to testify. UMC requests a decision on the continuance motion by Tuesday, April 30th.

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.

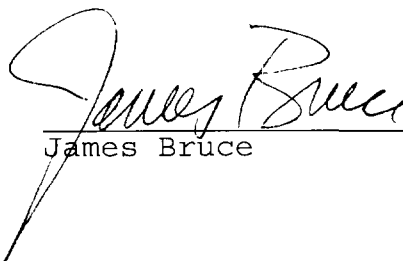


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Pre-Hearing Statement** was delivered by facsimile transmission this 29th day of April 1996, to:

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James Bruce