

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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APR 2 1997

Oil Conservation Division

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11842

APPLICATION OF KAISER-FRANCIS OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by KAISER-FRANCIS OIL COMPANY, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Kaiser-Francis Oil Company
P. O. Box 21468
Tulsa, Oklahoma 74121-1468
(918) 494-0000
attn: Jim Wakefield

ATTORNEY

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

INTERESTED PARTY

V-F Petroleum

ATTORNEY

William F. Carr, Esq.

STATEMENT OF CASE

1. Applicant, Kaiser-Francis, is the proposed operator of the State "8" Well No. 9 to be located 1980 feet from the North line and 660 East line (Unit H) Section 8, T16S, R35E, Lea County, New Mexico.

2. Kaiser-Francis proposes to drill this well to a depth sufficient to test for gas production from the Morrow formation and shallower formations.

3. The well location is within the current boundary of the Townsend-Morrow Gas Pool which is subject to General Rule 104:

Rule 104.C(2)(b) well shall be located no closer than 1600 feet to the end boundary nor closer than 660 feet to the side boundary.

A standard GPU in this pool contains 320 acres.

4. Kaiser-Francis proposes to dedicate the N/2 of Section 8 to the well if it is capable of gas production from the top of the Wolfcamp to the base of the Morrow formation.

5. This proposed location is the optimum location in the N/2 of said Section 8 at which to drill to test for Morrow gas production and is necessary in order to protect this spacing unit from offset drainage.

6. Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas underlying this unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Neil DeShazo (geologist)	20 Min.	@ 4 exhibits
Jim Wakefield (engineer)	20 Min.	@ 6 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

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