

RC 11/4

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

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OIL CONSERVATION DIV.

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

CASE NO: 12074

**APPLICATION OF XERIC OIL & GAS CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by XERIC OIL & GAS CORPORATION, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Xeric Oil & Gas Corporation
P. O. Box 51311
Midland, Texas 79710
(915) 683-3171
attn: Lisa Snelson

ATTORNEY

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

STATEMENT OF CASE

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this NW/4SE/4 of Section 14, T19S, R38E, NMPM, Lea County, NM, Xeric Oil & Gas Corporation needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

Applicant requests an order pooling the mineral interest of described in this spacing unit for the drilling of its Cain Well No. 1 at a standard oil well location for potential production from the Abo and other formations upon terms and conditions which include:

- (1) Applicant be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (5) For such other and further relief as may be proper.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Lisa Snelson (landman)	30 min.	@ 8 exhibits
_____ (petroleum engineer)	20 Min.	@ 4 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

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