

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

IN THE MATTER OF THE APPLICATION
OF LG&E NATURAL PIPELINE LLC FOR
SPECIAL PROJECT RULES FOR THE
GRAMA RIDGE GAS STORAGE UNIT
LEA COUNTY, NEW MEXICO

CASE NO. 12441

PRE-HEARING STATEMENT

This prehearing statement is submitted by Applicant, LG&E Natural Pipeline, LLC as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

LG&E Natural Pipeline, LLC
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Dallas, Texas 75207
(214) 640-6848

ATTORNEY

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OPPOSITION OR OTHER PARTY

Nearburg Exploration Company, LLC
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Midland, Texas 79705
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ATTORNEY

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Midland, Texas 79701
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Artesia, New Mexico 88210-2177
(505) 748-1471

Concho Resources, Inc.
110 W. Louisiana Ave
Midland, Texas 79701
(915) 683-7443

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

The applicant requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Grama Ridge Morrow Gas Storage Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

The basis of the opposition of Nearburg Exploration Company, *et al.* has not been communicated to Applicant.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Terri Watson; Fact	25 minutes	9
John Wells; Petroleum Engineer	45 minutes	8

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)

Opponents have filed their second Motion for Continuance on July 21, 2000.



Signature

CERTIFICATE OF SERVICE

I hereby certify that on the 24 day of July, 2000, a copy of the foregoing pleading was forwarded to:

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