

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

CASE NO. 10,556

SEP 14 1992

APPLICATION OF CHI ENERGY, INC.  
FOR SPECIAL POOL RULES, EDDY  
COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Chi Energy, Inc.

ATTORNEY

W. Thomas Kellahin

OTHER PARTY

Mewbourne Oil Company  
Suite 1020  
550 West Texas  
Midland, Texas 78701  
(915) 682-3715  
Attention: D. Paul Haden

ATTORNEY

James Bruce  
Hinkle, Cox, Eaton, Coffield  
& Hensley  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

STATEMENT OF CASE

APPLICANT

OTHER PARTY

Mewbourne Oil Company owns interests in the Old Millman Ranch-Bone Springs Pool, and is therefore an interested party.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES

EST. TIME

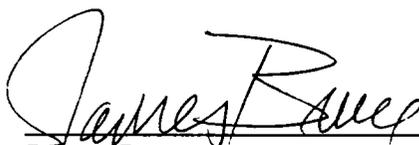
EXHIBITS

Mewbourne Oil Company does not anticipate presenting any witnesses.

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY



---

James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Santa Fe Energy Operating Partners,  
L.P.

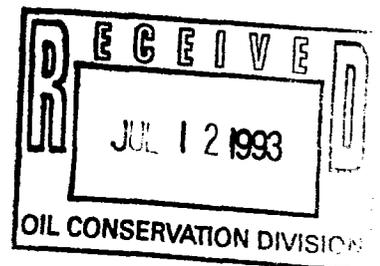
**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was hand-delivered to W. Thomas Kellahin, Esq., 117 North Guadalupe, Santa Fe, New Mexico 87501, this 14<sup>th</sup> day of September, 1992.



---

James Bruce



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. 10556(Reopened)

IN THE MATTER OF CASE 10556 BEING REOPENED  
PURSUANT TO ORDER R-9759,  
OLD MILLMAN RANCH-BONE SPRINGS POOL,  
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Chi Energy Inc.  
P. O. Box 1799  
Midland, Texas 79702-1799  
Attn: Bill Bergman  
(915) 685-5001

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Mewbourne Oil Company

ATTORNEY

James Bruce

**STATEMENT OF CASE**

APPLICANT

Chi Energy Inc was the original applicant and obtained Order R-9759 which established temporary special rules for the Oil Millman Ranch-Bone Springs Pool including a provision for 20,000 to 1 GOR.

Based upon subsequent data, Chi Energy Inc. now seeks to have this pool designated as an "associated" oil and gas pool subject to Division Order R-5353 including 160-acre gas well spacing and 80-acre oil well spacing.

**PROPOSED EVIDENCE**

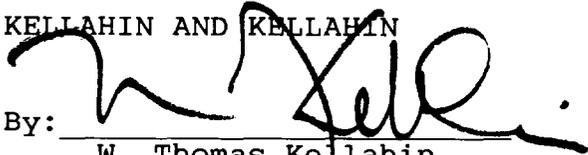
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Mike Feagan (PE)	20 Min	6 exhibits
Mike Hays (geology)	20 Min.	4 exhibits

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

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

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

CASE NO. 10556

RECEIVED  
SEP 1 1992  
OIL CONSERVATION DIVISION

APPLICATION OF CHI ENERGY, INC. FOR  
SPECIAL POOL RULES, EDDY COUNTY,  
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CHI ENERGY,  
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

CHI ENERGY, INC.  
P.O. Box 1799  
Midland, TX 79702  
ATTN: William Bergman

ATTORNEY

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

OTHER PARTY

Mewbourne Oil Company

ATTORNEY

James Bruce  
The Hinkle Law Firm  
P.O. Box 2068  
Santa Fe, NM 87504  
(505) 982-4554

**STATEMENT OF CASE**

APPLICANT

Chi Energy, Inc., Applicant, seek an order promulgating special rules for the Old Millman Ranch-Bone Spring Pool including a provision for a limiting gas-oil ratio of 20,000 cubic feet of gas per barrel of oil. Said pool currently compresses portions of Sections 4, 5 and 8, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico

OPPOSITION OR OTHER PARTY

SEE OTHER PARTY FILING

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
William R. Bergman OR ALTERNATE GEOLOGIST	10 Min.	Structure Map Isopach Map
Robert Lee Petroleum Engineer	15-20 Min.	Cross Section Sample Analysis Approx. 2-3 Addit. Exhibits

OPPOSITION OR OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
SEE OTHER PARTY FILING		

Pre-Hearing Statement  
Case No. 10556  
Page 3

**PROCEDURAL MATTERS**

None.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR CHI ENERGY, INC.

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

RECEIVED

SEP 1 1992

OIL CONSERVATION DIVISION

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

CASE NO. 10556

APPLICATION OF CHI ENERGY, INC. FOR  
SPECIAL POOL RULES, EDDY COUNTY,  
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CHI ENERGY,  
INC. as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

APPLICANT

CHI ENERGY, INC.  
P.O. Box 1799  
Midland, TX 79702  
ATTN: William Bergman

ATTORNEY

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

OTHER PARTY

Mewbourne Oil Company

ATTORNEY

James Bruce  
The Hinkle Law Firm  
P.O. Box 2068  
Santa Fe, NM 87504  
(505) 982-4554

**STATEMENT OF CASE**

APPLICANT

Chi Energy, Inc., Applicant, seek an order promulgating special rules for the Old Millman Ranch-Bone Spring Pool including a provision for a limiting gas-oil ratio of 20,000 cubic feet of gas per barrel of oil. Said pool currently compresses portions of Sections 4, 5 and 8, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico

OPPOSITION OR OTHER PARTY

SEE OTHER PARTY FILING

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
William R. Bergman OR ALTERNATE GEOLOGIST	10 Min.	Structure Map Isopach Map
Robert Lee Petroleum Engineer	15-20 Min.	Cross Section Sample Analysis , Approx. 2-3 Addit. Exhibits

OPPOSITION OR OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
SEE OTHER PARTY FILING		

Pre-Hearing Statement  
Case No. 10556  
Page 3

**PROCEDURAL MATTERS**

None.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR CHI ENERGY, INC.

PHST911.623

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

RECEIVED

SEP 17 1992

OIL CONSERVATION DIVISION

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

CASE NO. 10556

APPLICATION OF CHI ENERGY, INC. FOR  
SPECIAL POOL RULES, EDDY COUNTY,  
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CHI ENERGY,  
INC. as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

APPLICANT

CHI ENERGY, INC.  
P.O. Box 1799  
Midland, TX 79702  
ATTN: William Bergman

ATTORNEY

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

OTHER PARTY

Mewbourne Oil Company

ATTORNEY

James Bruce  
The Hinkle Law Firm  
P.O. Box 2068  
Santa Fe, NM 87504  
(505) 982-4554

**STATEMENT OF CASE**

APPLICANT

Chi Energy, Inc., Applicant, seek an order promulgating special rules for the Old Millman Ranch-Bone Spring Pool including a provision for a limiting gas-oil ratio of 20,000 cubic feet of gas per barrel of oil. Said pool currently compresses portions of Sections 4, 5 and 8, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico

OPPOSITION OR OTHER PARTY

SEE OTHER PARTY FILING

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
William R. Bergman OR ALTERNATE GEOLOGIST	10 Min.	Structure Map
Robert Lee Petroleum Engineer	15-20 Min.	Isopach Map Cross Section Sample Analysis Approx. 2-3 Addit. Exhibits

OPPOSITION OR OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
SEE OTHER PARTY FILING		

Pre-Hearing Statement  
Case No. 10556  
Page 3

**PROCEDURAL MATTERS**

None.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR CHI ENERGY, INC.

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

SFF 1 4 1002

OIL CONSERVATION DIVISION CASE NO. 10,556

APPLICATION OF CHI ENERGY, INC.  
FOR SPECIAL POOL RULES, EDDY  
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Chi Energy, Inc.

ATTORNEY

W. Thomas Kellahin

OTHER PARTY

Mewbourne Oil Company  
Suite 1020  
550 West Texas  
Midland, Texas 78701  
(915) 682-3715  
Attention: D. Paul Haden

ATTORNEY

James Bruce  
Hinkle, Cox, Eaton, Coffield  
& Hensley  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

STATEMENT OF CASE

APPLICANT

OTHER PARTY

Mewbourne Oil Company owns interests in the Old Millman Ranch-Bone Springs Pool, and is therefore an interested party.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES

EST. TIME

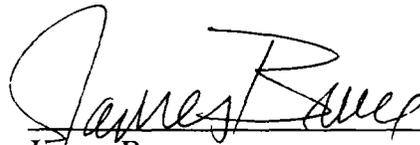
EXHIBITS

Mewbourne Oil Company does not anticipate presenting any witnesses.

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

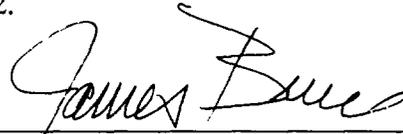


James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Santa Fe Energy Operating Partners,  
L.P.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was hand-delivered to W. Thomas Kellahin, Esq., 117 North Guadalupe, Santa Fe, New Mexico 87501, this 14th day of September, 1992.



James Bruce

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

SEP 14 1992

OIL CONSERVATION DIVISION

CASE NO. 10,556

APPLICATION OF CHI ENERGY, INC.  
FOR SPECIAL POOL RULES, EDDY  
COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Chi Energy, Inc.

ATTORNEY

W. Thomas Kellahin

OTHER PARTY

Mewbourne Oil Company  
Suite 1020  
550 West Texas  
Midland, Texas 78701  
(915) 682-3715  
Attention: D. Paul Haden

ATTORNEY

James Bruce  
Hinkle, Cox, Eaton, Coffield  
& Hensley  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

STATEMENT OF CASE

APPLICANT

OTHER PARTY

Mewbourne Oil Company owns interests in the Old Millman Ranch-Bone Springs Pool, and is therefore an interested party.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES

EST. TIME

EXHIBITS

Mewbourne Oil Company does not anticipate presenting any witnesses.

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD  
& HENSLEY

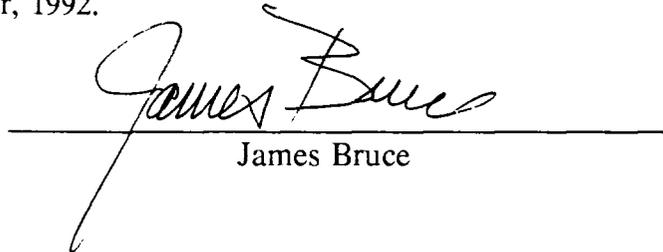


James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Santa Fe Energy Operating Partners,  
L.P.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was hand-delivered to W. Thomas Kellahin, Esq., 117 North Guadalupe, Santa Fe, New Mexico 87501, this 14<sup>th</sup> day of September, 1992.



James Bruce