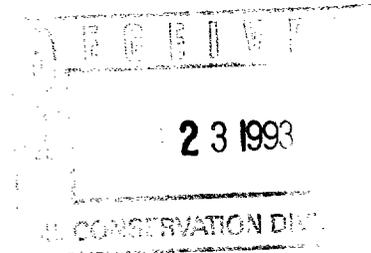


**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

CASE NO. 10804

APPLICATION OF COLLINS &  
WARE, INC., FOR SPECIAL POOL  
RULES, EDDY COUNTY,  
NEW MEXICO.



**PRE-HEARING STATEMENT**

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Collins & Ware, Inc.  
303 W. Wall, Suite 2200  
Midland, Texas 79701  
Attn: C. M. Guerry  
(915) 687-3435

name, address, phone and  
contact person

**ATTORNEY**

William F. Carr, Esq.  
Campbell, Carr, Berge & Sheridan, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**OPPOSITION OR OTHER PARTY**

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name, address, phone and  
contact person

**ATTORNEY**

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**STATEMENT OF CASE**

APPLICANT

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

Collins & Ware seeks the promulgation of special pool rules for the Happy Valley-Delaware Pool, located in the NE/4 NW/4 of Section 33, Township 22 South, Range 26 East, including a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and a special oil allowable of 160 barrels per day.

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.)

**PROPOSED EVIDENCE**

APPLICANT

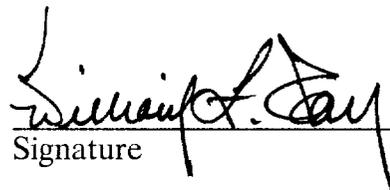
| WITNESSES<br>(Name and expertise) | EST. TIME | EXHIBITS        |
|-----------------------------------|-----------|-----------------|
| Curtis A. Anderson, Geologist     | 15 Min.   | Approximately 4 |
| Rex Howell, Petroleum Engineer    | 15 Min.   | Approximately 3 |

OPPOSITION

| WITNESSES<br>(Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
|-----------------------------------|-----------|----------|

**PROCEDURAL MATTERS**

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

  
\_\_\_\_\_  
Signature

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS  
MICHAEL H. FELDEWERT  
DAVID B. LAWRENZ  
TANYA M. TRUJILLO

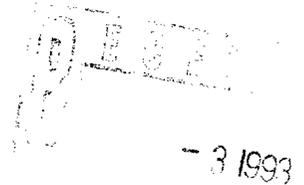
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

August 3, 1993

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503



10804

Re: Application of Collins & Ware, Inc. for Special Pool Rules for the Happy Valley-Delaware Pool, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Collins & Ware, Inc., in the above-referenced case as well as a draft of a legal advertisement for this matter. Collins & Ware, Inc. respectfully request that this case be placed on the docket for the August 26, 1993 Examiner hearings.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR

WFC:mlh

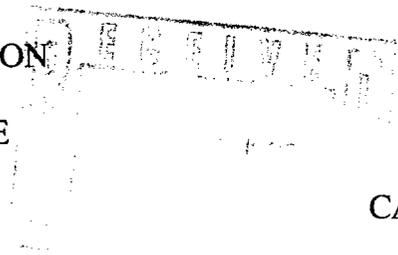
Enclosures

cc: Mr. Jim Orseth (w/enclosures)

BEFORE THE  
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF COLLINS & WARE, INC.,  
FOR SPECIAL POOL RULES FOR THE  
HAPPY VALLEY-DELAWARE POOL,  
EDDY COUNTY, NEW MEXICO.



CASE NO. 10804

**APPLICATION**

COLLINS & WARE, INC., through its undersigned attorneys, makes application to the Oil Conservation Division for promulgation of Special Pool Rules and Regulations for the Happy Valley-Delaware Pool, including a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil produced and a special oil allowable of 160 barrels of oil per day in support thereof states:

1. Applicant is the operator of the Sheep Draw Well No. 2 and Sheep Draw Well No. 3 which are located in the Happy Valley-Delaware Pool or within one mile thereof.
2. The Happy Valley-Delaware Pool was created by Oil Conservation Division Order No. R-9837, dated February 1, 1993 which includes the following described acreage:

**Township 22 South, Range 26 East, N.M.P.M.**

Section 33: NE/4 NW/4

3. The wells in this pool are produced under statewide rules which limit production to 80 bbls of oil per day and a gas-oil ratio of 2000 cubic feet of gas per barrel of oil produced.

4. Operating this pool under current rules is not depleting the reservoir in an efficient and timely manner.

5. Applicant seeks the promulgation of Special Rules and Regulations for this pool which will increase the limiting gas-oil ratio to 10,000 cubic feet of gas per barrel of oil produced and a special oil allowable of 160 barrels of oil per day.

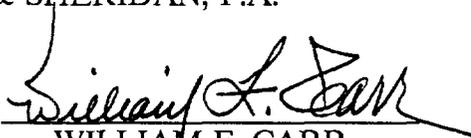
6. Approval of this application will protect the correlative rights of each operator in this pool by affording each the opportunity to produce its just and equitable share of gas and oil from this pool, will prevent the waste of hydrocarbons and is otherwise in the best interest of conservation.

WHEREFORE, Collins & Ware, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 26, 1993, and after notice and hearing as required by law, the Division enter its Order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:



WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR COLLINS & WARE, INC.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF COLLINS & WARE, INC.,  
FOR SPECIAL POOL RULES FOR THE  
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Section 33: NE/4 NW/4

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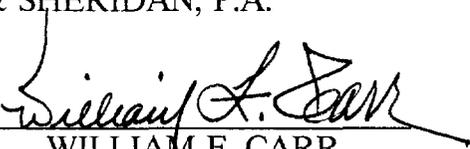
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6. Approval of this application will protect the correlative rights of each operator in this pool by affording each the opportunity to produce its just and equitable share of gas and oil from this pool, will prevent the waste of hydrocarbons and is otherwise in the best interest of conservation.

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Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR COLLINS & WARE, INC.

CASE 10804:

Application of Collins & Ware, Inc. for special pool rules, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for the Happy Valley-Delaware Pool, located in the NE/4 NW/4 of Section 33, Township 22 South, Range 26 East, including a provision for a gas-oil limitation of 10,000 cubic feet of gas per barrel of oil and a special oil allowable of 160 barrels per day. Said area is located approximately \_\_\_\_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

APPROVED AND FORWARDED:  
[Signature]

1993