

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:

The Application of Naumann Oil and Gas, Inc. for  
Compulsory Pooling, Unorthodox Gas Well Location, and  
Non-Standard Gas Proration and Spacing Unit, Eddy  
County, New Mexico

CASE NO. 10979

**PRE-HEARING STATEMENT**  
**and ENTRY OF APPEARANCE**

This pre-hearing statement is submitted by Clydine K. Wylie as required by the  
Oil Conservation Division.

**APPEARANCE OF PARTIES**

Karen Aubrey, Attorney at Law, hereby enters her appearance on behalf of  
Clydine K. Wylie.

**STATEMENT OF CASE**

**OPPOSITION OR OTHER PARTY**

As shown by the attached deed, Clydine K. Wylie, Constancio A. Lara and  
Josephina Lara Burciaga are owners of record of Lot 9, San Jose Amended  
Subdivision in the W/2 Section 7, Township 22 South, Range 27 East, Eddy County  
New Mexico. Applicant has made no attempt to secure voluntary participation if  
Constancio A. Lara or Josephina Lara Burciaga; nor was notice of hearing given to  
them.

**PROPOSED EVIDENCE**

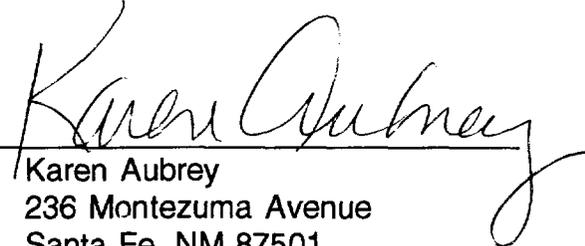
OPPOSITION: None

| WITNESSES | EST. TIME | EXHIBITS |
|-----------|-----------|----------|
| None      |           |          |

**PROCEDURAL MATTERS**

Applicant has failed to notify all working interest owners.

LAW OFFICES OF KAREN AUBREY

By:   
Karen Aubrey  
236 Montezuma Avenue  
Santa Fe, NM 87501  
(505)982-4287 FAX (505)986-8349

GRANT DEED

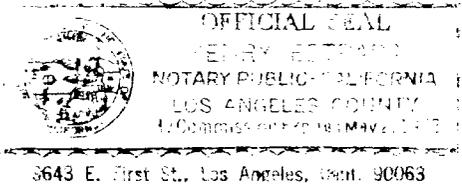
1 FOR CONSIDERATION which is hereby acknowledged, I,  
 2 JOSEFINA LARA do hereby grant to CLYDINE K. LARA, residing at 1810  
 3 Elmwood Avenue, Pomona, California, 91766 and to CONSTANCIO A. LARA,  
 4 residing at 4231 Fisher Street, Los Angeles, California, 90063 as  
 5 JOINT TENNANTS WITH RIGHT OF SURVIVOR SHIP real property located  
 6 within the state of New Mexico and described as LOT 9 San Jose  
 7 as platted and filed in the Office of the County Recorder of Eddy  
 8 County, 55 feet wide and 284.25 feet long and found in Book 77 at  
 9 Page 281; AND I do hereby reserve unto JOSEFINA LARA BURCIAGA  
 10 a LIEF ESTATE in the property heretofore described.

11  
12 DATED April 13, 1973

13 - Josefina Lara  
14 1810 Elmwood Pomona Ca

15  
16  
17 ON April 13th 1973 before me, a NOTARY PUBLIC in  
 18 and for the State of California, personally appeared \_\_\_\_\_  
 19 JOSEFINA LARA known to me to be the person whose  
 20 name is subscribed to within this instrument and I do acknowledge  
 21 that she did execute this GRANT  
 22 DEED before me and in my presence.

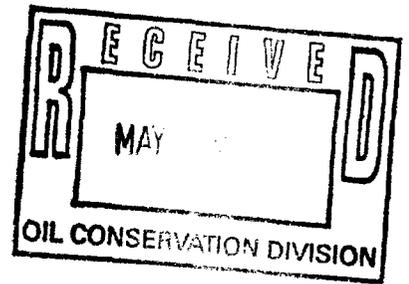
23  
24 WITNESS MY HAND AND OFFICIAL SEAL.



25 \_\_\_\_\_  
26 \_\_\_\_\_  
27 \_\_\_\_\_

28  
29 Mail tax statements to : JOSEFINA LARA BURCIAGIA, 1810 Elmwood Avenue  
 30 Pomona, California, 91766

31  
32 STATE OF NEW MEXICO, County of Eddy, ss. I do hereby certify that  
 this instrument was filed for record on the 9 day of May  
1973 at 1:15 o'clock P.M. and duly recorded in Book 214  
Page 749 of the Records of Deeds  
 GERALDINE MAHAFFEY, County Clerk  
 By Mary Ruffina Deputy



**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. 10979

APPLICATION OF NAUMANN OIL & GAS, INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

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

**APPEARANCE OF PARTIES**

**APPLICANT**

Naumann Oil & Gas, Inc.  
c/o Logro Corp.  
P. O. Box 261324  
Plano, Texas 75026-1324  
attn: David N. Frye  
(214) 964-0608

**ATTORNEY**

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

**STATEMENT OF CASE**

**APPLICANT**

This case involves the recompletion of an abandoned Morrow well which was originally drilled at an unorthodox well location for production from the Strawn formation. The proposed 320-acre gas spacing and proration unit is located in the City of Carlsbad and because of governmental surveys contains only 307.02 acres.

NAUMANN OIL & GAS, INC. seeks:

(1) an order pooling all mineral interests in the Strawn formation underlying the W/2 of Section 7, T22S, R27E, NMPM, Eddy County, New Mexico;

(2) including provisions for recovering from any non-consenting working interest owner not only the cost of recompletion but their proportionate share of the value of the existing wellbore including a risk factor penalty of 200%;

(2) an unorthodox Strawn gas well location; and

(3) a 307.02 acre non-standard gas proration and spacing unit.

The Carlsbad "7" Well No. 1 was originally drilled by C & K Petroleum in accordance with Division Order R-5451 entered on July 5, 1997 in Case 5939 which order approved the unorthodox gas well location 760 feet FSL and 690 feet FWL of said Section 7 and the compulsory pooling of "all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 7, T22S, R27E, NMPM, South Carlsbad Field, Eddy County, New Mexico."

Naumann has acquired ownership of the wellbore known as the Carlsbad "7" Well No 1. which is a plugged and abandoned well formerly drilled to the Morrow formation. Naumann has a working interest ownership in the oil and gas minerals underlying the W/2 of Section 7.

On March 22, 1994, Naumann proposed the re-entry of the Carlsbad "7" Well No. 1 to all interest owners in the proposed spacing unit and invited each interest owner to participate on a voluntary basis by each paying his/her proportionate share of the value of the existing wellbore and the costs of to re-enter and complete of said well as a Strawn gas well.

All of the working interest ownership of the oil & gas minerals Strawn formation underlying W/2 of said Section 7 have voluntarily agreed to the formation of this spacing unit and to participation in this re-entry except for those parties identified and described on Exhibit "B" of the application.

In accordance with the Division's notice requirements, a summary of this application and notice of this hearing was sent to all appropriate parties.

### **PROPOSED EVIDENCE**

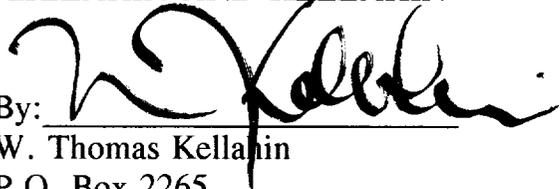
#### APPLICANT:

| WITNESSES     |             | EST. TIME | EXHIBITS    |
|---------------|-------------|-----------|-------------|
| David N. Frye | (landman)   | 30 min.   | 20 exhibits |
| Jack Naumann  | (geologist) | 30 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 87501