

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

RECEIVED

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

OCT 2 1990

OIL CONSERVATION DIVISION

CASE NO.10109

APPLICATION OF MB RESOURCES, CORP.
FOR A HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT AND NON-STANDARD PRORATION
UNIT, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by HARKEN
EXPLORATION COMPANY as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

ATTORNEY

MB RESOURCES CORP.

W. Perry Pearce
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873

OPPOSITION OR OTHER PARTY
(name, address, phone
and contact person)

ATTORNEY

Harken Exploration Co.
P.O. Box 619024
Dallas, Texas 75261
Attn: Ms. Sally Sloan
(817) 695-4900

Candace Hamann Callahan
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Pre-hearing Statement
NMOCD Case No. 10109
Page 2

STATEMENT OF CASE

APPLICANT

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

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)

Applicant failed to meet the notice requirements of Division Rules 1207(a) and 1207(b). As a result of this failure Harken Exploration Company has been prejudiced in its ability to present evidence in opposition to Application No. 10109 and, therefore, seeks a continuance until October 17, 1990 for hearing of this application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

Mike Childers
(landman)

15 min.

Letter dated
9/10/90 from
MB Resources
to Harken
Exploration
and envelope
therefor and
postmarked
9/17/90

PROCEDURAL MATTERS

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

KELLAHIN, KELLAHIN & AUBREY

By: 

Candace Hamann Callahan

Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

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
M.B. RESOURCES CORPORATION FOR A
HORIZONTAL DRILLING PILOT PROJECT,
SPECIAL OPERATING RULES, THEREFORE,
AND A NON-STANDARD OIL PRORATION
UNIT, LEA COUNTY, NEW MEXICO

Case No. 10109

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted on behalf of M.B. Resources Corporation as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

Applicant: M.B. Resources Corporation
14875 Landmark Blvd.
Suite 216
Dallas, Texas 75240-6713

Contact
Person: William C. Bahlberg

Attorney: W. Perry Pearce
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873

APPLICANT'S STATEMENT OF THE CASE

Applicant appeared before the Division seeking authorizing for the formation of an 80-acre non-standard oil spacing and proration unit comprised of the NE1/4SE1/4 of Section 35 and the NW1/4SW1/4 of Section 36, T. 16 S., R. 35 E. Applicant proposes to initiate a horizontal directional drilling project in the Shoe Bar - Pennsylvanian Pool. Applicant proposes to utilize the Manzano Oil Corporation Ramco State "WN" Well No. 2, located 1,980 feet from the south line and 660 feet from the east line of said Section 35 and proposes to kick off from the vertical portion of that wellbore

in an easterly direction with a medium radius curved hole and continue drilling horizontally for approximately 1,000 feet, bottoming said wellbore in the adjoining quarter quarter section to the east in Section 36. Applicant proposes special pool rules with a provision that the horizontal displacement of such horizontal wellbore be limited so that it does not encroach closer than 330 feet to the outer boundary of the assigned spacing and proration unit.

APPLICANT'S PROPOSED EVIDENCE

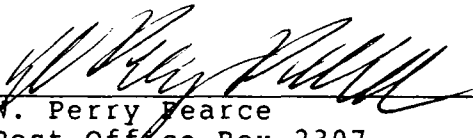
Applicant expects to call two witnesses, Mr. William C. Bahlberg and Mr. Donnie L. Brown, and expects to utilize 8-10 exhibits of a geological and engineering nature in support of this case.

PROCEDURAL MATTERS

Applicant is not aware of any procedural matters which need to be resolved prior to the hearing of this case.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By 
W. Perry Pearce
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873

Attorneys for Pacific Enterprises
Oil Company (USA)

[WPP/95]