

Pre-Hearing Statement
Case Nos. 10848, 10881 and 10869
Page 2

APPEARANCE OF PARTIES

APPLICANT CONOCO

Conoco Inc.
10 Desta Drive, Ste.100W
Midland, Texas 79762-4500
Attn: Jerry Hoover
(915) 686-6548

ATTORNEY

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

OTHER PARTIES

Yates Petroleum Corporation
Nearburg Producing Company
Marathon Oil Company

ATTORNEYS

William F. Carr, esq.
James Bruce, Esq.
Karen Aubrey, Esq.

STATEMENT OF THE CASES

APPLICANT CONOCO:

The South Dagger Draw-Upper Pennsylvanian Associated Pool ("the Pool") is an associated oil and gas pool the current rules for which provide for 320-acre proration and spacing units with the option for multiple oil wells BUT preclude the simultaneous dedication of both oil and gas wells to the same spacing unit (Rule 5(b)). In addition, the current GOR the pool is 10,000 to 1 which results in a maximum gas allowable per unit of 14,000 MCFGPD (Rule 6).

While, the current maximum GOR a spacing unit in the Pool is 10,000 to 1, the current average producing GOR of all wells that qualify to be classified as oil wells under current pool rules is approximately 4,500 to 1 GOR which amounts to 6,300 MCFGPD.

In order to prevent excessive premature drainage of the gas cap and to conserve recoverable oil reserves, Conoco proposes in Case 10881 that Rule 5(b) and Rule 6 of the Pool rules be amended to allow simultaneous dedication of gas and oil wells to the same spacing unit if the Pool's current GOR is reduced to 4,500 to 1.

Conoco is opposed to Case 10869 in which Yates Petroleum Corporaiton is seeking simply to amend Rule 5(b) without correspondingly reducing the current GOR set forth in Rule 6.

PROPOSED EVIDENCE

CONOCO

WITNESSES	EST. TIME	EXHIBITS
David Scott (landman)	5-10 min.	est. 3 exhibits
Mark Majcher (P.E.)	60 min.	est. 10 exhibits
Bill Hardy (geologist)	60 Min.	est. 10 exhibits

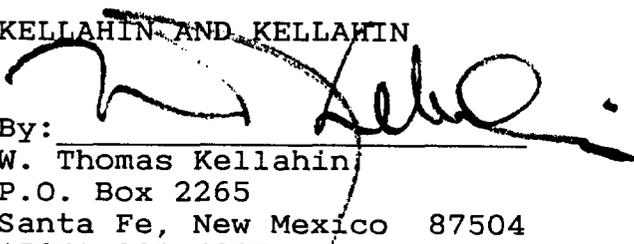
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PROCEDURAL MATTERS

Conoco and Marathon propose that their joint application in Case 10848 be dismissed without prejudice.

Conoco proposes that Case 10881 and Case 10869 be consolidated for purposes of testimony.

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 DIVISION

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

APPLICATION OF CONOCO INC. AND
MARATHON OIL COMPANY FOR EXCEPTIONS
TO RULE 5(b) OF THE SPECIAL RULES
AND REGULATIONS OF THE SOUTH DAGGER
DRAW-UPPER PENNSYLVANIAN POOL, ETC.,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10,848

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF SPECIAL
RULES AND REGULATIONS OF THE SOUTH
DAGGER DRAW-UPPER PENNSYLVANIAN
ASSOCIATED POOL (DIVISION ORDER NO.
R-5353), EDDY COUNTY, NEW MEXICO.

CASE NO. 10,869

APPLICATION OF CONOCO INC. TO AMEND
RULE 6 OF THE SPECIAL RULES AND
REGULATIONS FOR THE SOUTH DAGGER DRAW-
UPPER PENNSYLVANIAN POOL (DIVISION
ORDER NO. R-5353), AND POOL EXTENSION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10,881

**ENTRY OF APPEARANCE AND
CONSOLIDATED PRE-HEARING STATEMENT**

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

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

OPPOSITION OR OTHER PARTY

ATTORNEY

Nearburg Producing Company
Suite 8100
3300 North "A" Street
Midland, Texas 78705
(915) 686-8235

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

Attention: Robert Shelton

STATEMENT OF CASE

APPLICANT

OPPOSITION

Nearburg Producing Company is an operator and working interest owner in the subject pool, and hereby enters its appearance in this case.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES

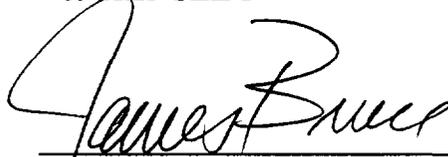
EST. TIME

EXHIBITS

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 Nearburg Producing Company

Entry of Appearance and
Consolidated Pre-Hearing Statement
NMOCD Case Nos. 10,848,
10,869 and 10,881
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Entry of Appearance and Pre-Hearing Statement was mailed to the following counsel of record, this 27th day of November, 1993, by first-class mail, postage prepaid.

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

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
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Tom Lowery
Marathon Oil Company
125 West Missouri
Midland, Texas 79701



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. 10869

APPLICATION OF YATES Petroleum Corporation for amendment of the Special Rules and Regulations of the South Dagger Draw-Upper Pennsylvanian Associated Pool (Division Order No. R-5353.), Eddy County, New Mexico.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

OTHER PARTY

Marathon Oil Company

ATTORNEY

Karen Aubrey
LAW OFFICE OF KAREN AUBREY
236 Montezuma Avenue
Santa Fe, NM 87501
(505) 982-4287 Fax(505) 986-8349
ATTORNEY FOR MARATHON OIL COMPANY

STATEMENT OF CASE

OTHER PARTY

Marathon Oil Company supports the deletion of Rule 5(b) of Order No. 5353 thereby authorizing simultaneous dedication of both gas and oil wells to the same spacing unit.

PROPOSED EVIDENCE

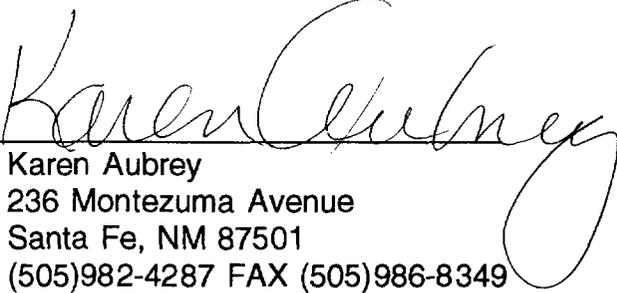
OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
Craig Kent Reservoir Engineer	1/2 hr.	1. Acreage Map 2. Map of Current rates by unit. 3. Table and Summary of Marathon's position

PROCEDURAL MATTERS

None applicable at this time.

LAW OFFICES OF KAREN AUBREY

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

**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. 10869

APPLICATION OF YATES PETROLEUM
CORPORATION FOR AMENDMENT OF THE
SPECIAL RULES AND REGULATIONS
OF THE SOUTH DAGGER DRAW-
UPPER PENNSYLVANIAN ASSOCIATED
POOL (DIVISION ORDER NO. R-5353),
EDDY COUNTY, NEW MEXICO.



PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Yates Petroleum Corporation _____
c/o David Boneau _____
105 South Fourth Street _____
Artesia, New Mexico 88210 _____
(505) 748-1471 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
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Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

Santa Fe Energy Partners, L.P. _____

name, address, phone and
contact person

ATTORNEY

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

Conoco Inc. _____

_____ name, address, phone and
contact person

W. Thomas Kellahin, Esq. _____
Kellahin & Kellahin _____
Post Office Box 2265 _____
Santa Fe, New Mexico 87504-2265
(505) 982-4285 _____

Marathon Oil Company _____

_____ name, address, phone and
contact person

Karen Aubrey, Esq. _____
Law Office of Karen Aubrey _____
236 Montezuma Avenue _____
Santa Fe, New Mexico 87501-2641 _____
(505) 982-4287 _____

STATEMENT OF CASE

APPLICANT

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

Yates Petroleum Corporation, applicant in the above-captioned cause, seeks the deletion of Rule 5(b) of Order No. R-5353 thereby authorizing simultaneous dedication of both gas wells and oil wells to the same spacing unit within the South Dagger Draw-Upper Pennsylvanian Associated Pool in portions of Township 20 South, Range 24 East.

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 (Name and expertise)	EST. TIME	EXHIBITS
D'nese Fly, Geology	10 Min.	Approximately 2
Pinson McWhorter, Engineering	20 Min.	Approximately 6
David Boneau, Engineering	10 Min.	Approximately 2

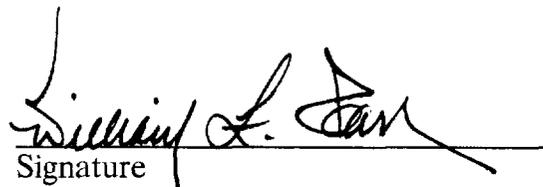
OPPOSITION

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 hearing)

Yates Petroleum Corporation will request that this case be consolidated for hearing with Cases 10848 and 10881.


Signature