

**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. 12426
(DE NOVO)**

**APPLICATION OF SOUTHWEST ROYALTIES, INC.
FOR A NON-STANDARD GAS SPACING AND
PRORATION UNIT AND AN UNORTHODOX WELL LOCATION
LEA COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV
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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

Southwest Royalties, Inc.
Attn: Marty Bloodworth
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Midland, TX 79702
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ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant seeks exceptions to *Rules 3 and 6* of the “*Special Rules and regulations for the Scarborough Yates-Seven Rivers Pool*”, as promulgated by Division Order No. R-2999 in order to: (i) establish a non-standard 280-acre gas spacing and proration unit comprising the S/2 NE/4, NE/4 SE/4, and the S/2 of SE/4 of Section 30, Township 26 South, Range 37 East (which is located approximately seven miles south of Jal, New Mexico) within the Scarborough Yates-Seven Rivers Pool; and (ii) to dedicate thereon its Eaves “B” Well No. 20 (API No. 30-025-32274) located at an unorthodox gas well location 1414 feet from the South line and 429 feet from the East line (Unit 1) of Section 30.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

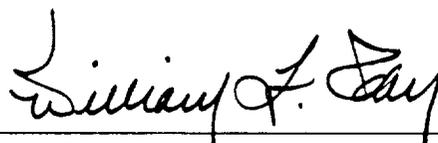
Marty Bloodworth
(Petroleum Engineer)

Approx. 30 min.

Approx. 9

PROCEDURAL MATTERS

Southwest Royalties, Inc. has none at this time.



William F. Carr

Michael H. Feldewert

Attorneys for Southwest Royalties, Inc.