

**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:**

**APPLICATIONS OF KAISER-FRANCIS OIL  
COMPANY FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**Case Nos. 20294 - 20297**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, Oklahoma 74121

Attention: Michael Maxey

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OTHER PARTIES**

**OTHER PARTIES' ATTORNEYS**

**STATEMENT OF THE CASE**

**APPLICANT**

Case No. 20294: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of Lots 3 and 4 (the W/2SW/4) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 (the W/2W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to the Red Hills Well Nos. 002H and 102H, with first take points in Lot 3 of Section 31 and final take points in Lot 4 of Section 6.

Case No. 20295: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2SW/4 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2W/2 of Section 6,

Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to the Red Hills Well Nos. 003H and 103H, with first take points in the NE/4SW/4 of Section 31 and final take points in the SE/4SW/4 of Section 6.

Case No. 20296: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a 238.80 acre horizontal spacing unit comprised of Lots 3 and 4 (the W/2SW/4) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 (the W/2W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to the Red Hills Well No. 402H, with a first take point in Lot 3 of Section 31 and a final take point in Lot 4 of Section 6.

Case No. 20297: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation in a horizontal spacing unit comprised of the E/2SW/4 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2W/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to the Red Hills Well No. 403H, with a first take point in the NE/4SW/4 of Section 31 and a final take point in the SE/4SW/4 of Section 6.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OTHER PARTIES

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Michael Maxey (landman)	15 min.	Approx. 8
Mitch Sullivan (geologist)	10 min.	Approx. 4

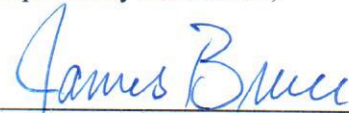
OTHER PARTIES

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

If the cases are not contested they may be submitted by affidavit.

Respectfully submitted,



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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Kaiser-Francis Oil Company