

**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. 20966-20968

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

COG Operating LLC

WTG Exploration Inc.

OTHER PARTIES' ATTORNEYS

Michael Feldewert, *et al.*

Gary Larson

STATEMENT OF THE CASE

APPLICANT

Case No. 20966: Kaiser-Francis Oil Company seeks an order pooling all mineral interests from the top of the First Bone Spring Sand to the base of the Bone Spring formation in a (proximity tract) horizontal spacing unit comprised of Lots 1-4 and the E/2W/2 (the W/2) of Section 31, Township 25 South, Range 33 East, N.M.P.M. and Lots 1-4 and the E/2W/2 (the W/2) of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the Red Hills Well Nos. 701H and 201H, with first take points in Lot 1 of Section 31 and last take points in

Lot 4 of Section 6, and (ii) the Red Hills Well Nos. 703H and 203H, with first take points in the NE/4NW/4 of Section 31 and last take points in the SE/SW/4 of Section 6.

Case No. 20967: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Bone Spring formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M. (**excepting** the Avalon "D" zone in the W/2E/2 of Section 31 and the W/2E/2 of Section 6, as found in the Airacuda Fed. Well No. 2H (API No. 30-025-40407). The unit will be dedicated to (i) the Red Hills Well Nos. 005H, 705H, and 205H, with first take points in the NW/4NE/4 of Section 31 and last take points in the SW/SE/4 of Section 6, and (ii) the Red Hills Well Nos. 006H, 106H, 706H, and 206H, with first take points in the NE/4NE/4 of Section 31 and last take points in the SE/SE/4 of Section 6. The wellbore of the Red Hills Well No. 706H will be located 1050 feet from the east line of Sections 31 and 6

Case No. 20293: Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the Red Hills Well Nos. 404H, 505H, and 604H, with first take points in the NW/4NE/4 of Section 31 and last take points in the SW/SE/4 of Section 6, and (ii) the Red Hills Well Nos. 405H, 406H, 506H, 605H, and 606H, with first take points in the NE/4NE/4 of Section 31 and last take points in the SE/SE/4 of Section 6. The wellbores of the Red Hills Well Nos. 405H and 605H are located 1310 feet from the east line of Sections 31 and 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)	35 min.	Approx. 8
Chris Miller (geologist)	20 min.	Approx. 4
Mike Raines (engineer)	20 min.	Approx. 8

OTHER PARTIES

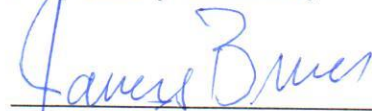
WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Kaiser-Francis Oil Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 5th day of December, 2019 by e-mail:

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