

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

RECEIVED

**IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN FOR AMENDMENT OF
DIVISION ORDER NO. R-8170, AS
AMENDED, TO ESTABLISH MINIMUM GAS
ALLOWABLES IN THE JALMAT GAS POOL,
LEA COUNTY, NEW MEXICO**

MAY 11 1990
OIL CONSERVATION DIVISION

CASE NO. 10111

PRE-HEARING STATEMENT

This prehearing statement is submitted by Joanne Reuter, Counsel for Applicant, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Doyle Hartman
Oil Operator
P.O. Box 10426
Midland, Texas 79702
(915) 684-4011

ATTORNEY

Joanne Reuter
Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501
(505) 983-6686

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement).

Doyle Hartman here applies for establishment of minimum allowables of 600 MCF/D per acreage factor of 1.0 in the Jalmat Gas Pool. The Jalmat Pool's gas reserves represent a very substantial and valuable economic resource to the State of New Mexico and must be continued to be developed in an orderly manner. The current allowables for the Jalmat Pool do not accurately reflect market demand for gas from the Pool and are so low and unpredictable as to discourage some producers from additional development and artificially suppress production. A minimum allowable is necessary to achieve optimum pool development, to protect correlative rights, to prevent waste and will result in the recovery of gas that would otherwise not be produced.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> (Names and expertise)	<u>EST. TIME</u>	<u>EXHIBITS</u>
Michael Stewart; engineer	1.5 hours	Total for all witnesses, approximately 30
Wayne Farley, Vice President Sid Richardson, Carbon and Gasoline Company; gas gathering and processing	20 minutes	
Frank Morehouse, Panda Resources, Inc.; marketing and transportation	20 minutes	
Hal J. Rasmussen, Jr.; independent producer and engineer	20 minutes	

PROCEDURAL MATTERS

None.



Signature