

BEFORE THE OIL CONSERVATION DIVISION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
PALOMA RESOURCES, INC. FOR THE  
CONCURRENT AND SIMULTANEOUS DEDICATION  
OF A MORROW GAS PRORATION UNIT OR,  
IN THE ALTERNATIVE, CREATION OF A NEW  
POOL, AND THE ESTABLISHMENT OF NON-  
STANDARD PRORATION UNITS, CHAVES  
COUNTY, NEW MEXICO

CASE NO. 11020

AND

15 1994

IN THE MATTER OF THE APPLICATION  
OF MATADOR PETROLEUM CORPORATION  
FOR COMPULSORY POOLING, CHAVES  
COUNTY, NEW MEXICO

CASE NO. 11049

PALOMA RESOURCES INC.'S  
CONSOLIDATED PREHEARING STATEMENT

This prehearing statement is submitted by PALOMA RESOURCES, INC., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Paloma Resources, Inc.  
P. O. Box 1814  
Roswell, NM 8802-1814

Ernest L. Carroll  
Losee, Carson, Haas & Carroll, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239  
(505)746-3505

OPPOSITION OR OTHER PARTY

ATTORNEY

Matador Petroleum Corp.  
Suite 158, Pecan Creek  
8340 Meadow Road  
Dallas, TX 75231

W. Thomas Kellahin  
Kellahin and Kellahin  
P. O. Box 2265  
Santa Fe, NM 87504-2265

STATEMENT OF CASE

APPLICANT

Applicant seeks to simultaneously dedicate both the Peery Federal #2 Well and the Peery Federal #3 Well for concurrent production from the S/2 of Section 29 spacing unit as gas producers.

Alternatively, Applicant seeks the creation of a new Morrow gas pool covering the SE/4 of Section 29, and for the creation of a non-standard proration unit for said Peery Federal #2 Well for

production from that newly-created pool. In the event that a new pool is created, Applicant would further seek the creation of a non-standard proration unit for the SW/4 of Section 29 for production from the Peery Federal #3 Well.

OPPOSITION OR OTHER PARTY

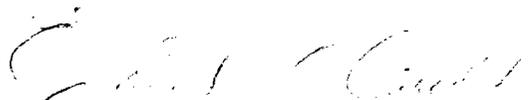
Matador Petroleum Corporation opposes the application, and has filed its opposing application in Case No. 11049 for an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 29, T15S, R30E, NMPM, Chaves County, New Mexico, forming a standard 320-acre spacing and proration unit to be dedicated to Paloma's Peery Federal #3 Well.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Gene Lee, Engineer	45	4
Steve Speers, Geologist	45	8

LOSEE, CARSON, HAAS & CARROLL, P.A.

By:   
\_\_\_\_\_  
Ernest L. Carroll  
P. O. Drawer 239  
Artesia, New Mexico 88211-0239  
(505)746-3505

Attorneys for Paloma Resources, Inc.

I hereby certify that I caused to be mailed a true and correct copy of the foregoing to all counsel of record this August 12, 1994.

  
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Ernest L. Carroll