

**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. 11,079

**APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR AN
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L.P.
Suite 1330
550 West Texas
Midland, Texas 78701
(915) 687-3551
Attention: Curtis D. Smith

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

Texaco Exploration and Production Inc.
c/o Terry McCance
Post Office Box 3109
Midland, TX 79702
(915) 688-4662

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
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(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant proposes to drill its Cygnet "4" Fed. Com. Well No. 1 at an unorthodox gas well location 2310' FSL and 1800' FEL of Section 4-T22S-R32 East, to test the Morrow formation.

Applicant desires to drill its well in the NW¼SW¼ of Section 4 for geologic reasons. However, its initial proposed location 1980' FSL and FEL was denied by the BLM due to topographic reasons. The BLM approved the proposed location.

Due to expiring state and federal leases, Applicant requests expedited approval of the application.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Curtis D. Smith (Landman)	5 minutes	(a) Land Plat (b) Letter from BLM
D. Roberts (Engineer)	10 minutes	(a) Correspondence
Mike Dilli (Geologist)	15 minutes	(a) Structure map (b) Isopach

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
Terry McCance (Geologist)	10 Minutes	

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



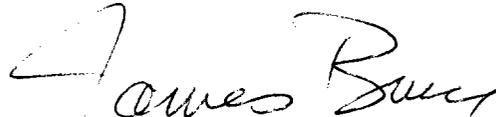
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Attorneys for Santa Fe Energy Operating
Partners, L.P.

CERTIFICATE OF SERVICE

3Lst I certify that a copy of the foregoing Pre-Hearing Statement was hand-delivered this day of August, 1994 to:

William F. Carr
110 N. Guadalupe
Suite 1
Santa Fe, New Mexico 87501



James Bruce