

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:

APPLICATION OF CONOCO INC. TO
REOPEN CASES NOS. 10471 AND 10560
TO VACATE THE COMPULSORY POOLING
PROVISIONS OF ORDER NO. R-9673-A
AND FOR THE CREATION OF TWO NON-
STANDARD 80-ACRE SPACING AND
PRORATION UNITS INCLUDING THE
ASSIGNMENT OF APPROPRIATE ALLOWABLES,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11240

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Southwest Royalties, Inc.

APPEARANCE OF PARTIES

OPPOSITION OR OTHER PARTY	ATTORNEY
Southwest Royalties, Inc. P.O. Box 11390 Midland, Texas 79702-8390	Paul A. Cooter Kemp, Smith, Duncan & Hammond, P.C. Post Office Box 1276 Albuquerque, New Mexico 87103-1276 Tel. 505/247-2315

STATEMENT OF CASE

OPPOSITION OR OTHER PARTY

Southwest Royalties, Inc. has no objection to Conoco's Application insofar as the same seeks the creation of two non-standard 80 acre spacing and proration units and the assignment of 50% of a standard 700 BOPD allowable to each of those units. Southwest Royalties objects to Conoco's Application insofar as the same seeks to (1) reopen Case No. 10560 and (2) vacate the compulsory pooling provisions of Division Order R-9673-A.

Case No. 10560 was dismissed by OCD Order No. R-9850 dated March 11, 1993, a copy of which is attached hereto. The Division did not retain jurisdiction in that cause, and, therefore, may not reopen the case at this time.

The compulsory pooling provisions of Order No. R-9673-A should not now be vacated for the reasons that (i) the owners of the working interests in that spacing and proration unit have not voluntarily entered into a Designation of Unit Area or Unit

Agreement and (ii) those working interest owners have developed, or partially developed the area and the pooled interests based upon that compulsory pooling; further development may be had in the unit area relying upon the compulsory pooling provisions of that order.

PROPOSED EVIDENCE

OPPOSITION OR OTHER PARTY

WITNESS	EST. TIME	EXHIBITS
Jon P. Tate	15 minutes	None known at this time

PROCEDURAL MATTERS

Southwest Royalties, Inc. questions the jurisdiction of the Division to reopen a dismissed case where the Division did not expressly retain jurisdiction of the case in that prior order, and the time to seek a rehearing or file an appeal has expired.

Respectfully submitted:

KEMP, SMITH, DUNCAN & HAMMOND, P.C.



By: _____
Paul A. Cooter
Post Office Box 1276
Albuquerque, New Mexico 87103-1276
Telephone: (505) 247-2315

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. 10560
ORDER NO. R-9850

APPLICATION OF CONOCO INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 18, 1993 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of March, 1993, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Conoco Inc., seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes, but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17.

(3) The applicant has requested this case be dismissed.

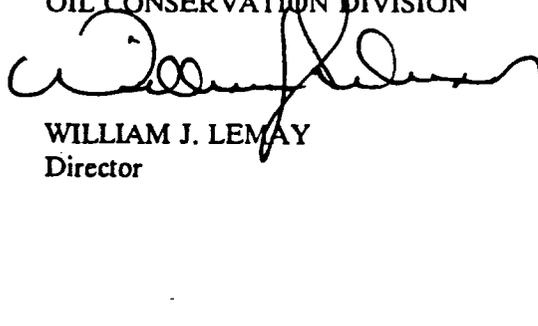
(4) The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 10560 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL