

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

CASE NO. 11297

APPLICATION OF EXXON CORPORATION FOR  
WATERFLOOD PROJECT AND EOR QUALIFICATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11298

APPLICATION OF EXXON CORPORATION FOR  
STATUTORY UNITIZATION, EDDY COUNTY, NEW MEXICO

**RECEIVED**

JUN 26 1995

**PRE-HEARING STATEMENT**

Oil Conservation Division

This pre-hearing statement is submitted by PREMIER OIL & GAS INC.  
as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

Exxon Corporation  
Midland, Texas

**ATTORNEY**

Jim Bruce, Esq.  
P. O. Box 2068  
Santa Fe, New Mexico 87504  
(505) 982-4554

**PROPONENT**

Yates Petroleum Corporation  
Artesia, NM

**ATTORNEY**

William F. Carr, Esq.  
P. O. Box 2088  
Santa Fe, New Mexico 87501  
(505) 9884421

**OPPONENT**

Premier Oil & Gas Inc.  
P. O. Box 1246  
Artesia, New Mexico 88210  
Attn: Ken Jones  
(505) 748-2093

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

## STATEMENT OF CASE

### OPPONENT:

Premier Oil & Gas Inc. is the working interest owner of oil & gas leases which are located in the E/2E/2 of Section 25, T20S, R27E, NMPM and which are identified as constituting Tracts 1109, 1309, 1509 and 1709 under the proposed Avalon-Delaware Unit.

Applicant's proposed unit shape, determination of the distribution of hydrocarbon pore volume and the primary and secondary production estimates fail to provide "relative value" to Tracts 1109, 1309, 1509 and 1709 as required by Section 70-7-4(J) NMSA (1978), as amended and, unless corrected by the Division, the correlative rights of Premier Oil & Gas Inc. will be violated.

Premier Oil & Gas Inc. will present geologic and petroleum engineer evidence to demonstrate the appropriate distribution of reservoir pore volume with corresponding adjustments and the proper relative value to be attributed to Tracts 1109, 1309, 1509, 1709 and others to allow the owners of these tracts the opportunity to recover their proportionate share of the total recoverable hydrocarbons from the unit.

Premier Oil & Gas Inc. requests the Division to issue a Statutory Unitization order which (1) excludes the Premier tracts or, in the alternative (2) utilize Premier's distribution of hydrocarbon pore volume and reject those proposed by the Applicant.

**PROPOSED EVIDENCE**

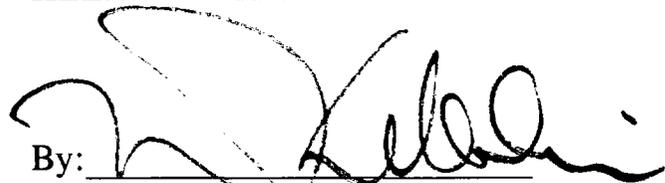
OPPONENT

WITNESSES	EST. TIME	EXHIBITS
Stewart Hanson (geologist)	30-60 Min.	est. 4 exhibits
Gerald Harrington (geologist)	30-60 Min.	est. 4 exhibits
Paul White (petroleum engineer)	30-60 Min.	est. 9 exhibits
Ken Jones (operator)	30-45 Min.	est. 8 exhibits

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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