

**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:

RECEIVED

SEP 5 1995

Oil Conservation Division

CASE NO. 11376

APPLICATION OF KERR-MCGEE CORPORATION
FOR AN UNORTHODOX INFILL GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by KERR-MCGEE CORPORATION as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

KERR-MCGEE CORPORATION
P. O. Box 25861
Oklahoma City, OK 73125
Attn: Dave Henke
(405) 270-6196

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

Kerr-McGee Corporation has the right to drill and test for Morrow gas production in Section 31, T21S, R24E, N.M.P.M, Eddy County, New Mexico.

The proposed gas well will be located within the current boundaries of the Indian Basin-Morrow Gas Pool.

The subject pool was created by Order R-2441 dated February 28, 1963 and was initially spaced on 640 acre spacing (Rule 2) with standard well locations to be no closer than 1650 feet to the outer boundary of the spacing unit (Rule 4). On May 6, 1965, the Division entered Order R-1670-F in Case 3237 which established gas proration for the pool.

The existing well in Section 31 is the Winston Gas Com Well No. 1 located 1980 feet from the West line and 2080 feet from the South line (Unit K).

The proposed Winston Gas Com Well No. 2 will be an "infill" well and will be drilled at an unorthodox location in order to gain sufficient structural position in its spacing unit to attempt to recover any remaining recoverable gas reserves underlying Section 31 which cannot be recovered by the first well and thereby protect correlative rights.

Kerr-McGee proposes to drill its Winston Gas Com Well No. 2 at an unorthodox gas well location 697 feet from the North and 2146 feet from the East lines of Section 31.

Kerr-McGee seeks approval to drill, operate and produce the maximum gas allowable assigned to this spacing unit from either or both of these two wells in any combination without penalty.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Sherman Formhals (geologist)	30 min.	@ 3
Aaron Reyna (reservoir engineer)	30 min.	@ 5
Dave Henke (landman)	5 min.	@ 2

PROCEDURAL MATTERS

NONE.

KELLAHIN AND KELLAHIN



By: _____
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