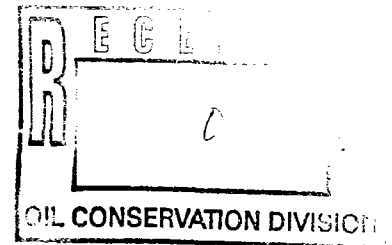


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF GILLESPIE-CROW, INC.
FOR POOL EXPANSION AND CONTRACTION,
POOL CREATION, AND SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO



CASE NO. 11599

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT'S ATTORNEY

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& Hensley, L.L.P.
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APPLICANT

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Midland, TX 79702

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(915) 683-1765

OPPONENT'S ATTORNEY

William F. Carr

OPPONENT

Yates Petroleum
Corporation, et al.

OTHER PARTY'S ATTORNEY

J. Scott Hall

W. Thomas Kellahin

OTHER PARTY

Enserch Exploration Inc.

Chesapeake Operating,
Inc.

STATEMENT OF THE CASE

APPLICANT

The West Lovington-Strawn Pool includes two separate Strawn porosity pods, which applicant requests be split into two separate pools. The western reservoir will be designated the South Big-Dog-Strawn reservoir, and the current special pool rules applicable to

the West Lovington-Strawn Pool will remain in effect for that reservoir. The eastern reservoir will be designated the West Lovington-Strawn Pool. The special pool rules will also remain applicable to that pool, except that applicant requests that the depth bracket allowable be reduced to 250 bopd, for the reasons described below.

Applicant is operator of the West Lovington Strawn Unit, a secondary recovery unit with a gas injection pressure maintenance project. Wells in the unit are subject to production restrictions to prevent harm to the reservoir. Applicant seeks to restrict production from wells outside the unit, but which are completed in the same the Strawn reservoir in which unit wells are completed. Without the requested production restrictions, the reservoir may be damaged. In addition, non-unit wells benefit unfairly from the pressure maintenance project without having to pay a portion of its costs. The production restrictions would remain in place pending unitization of additional acreage outside the unit.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

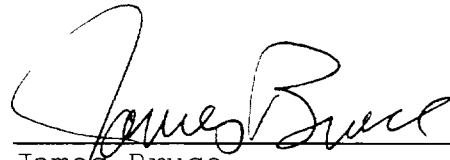
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
William Crow (Geologist)	20 min.	Five
Kevin Widner (Engineer)	20 min.	Three

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



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Attorneys for Gillespie-Crow,
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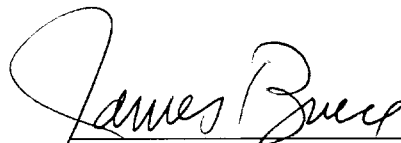
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was sent via facsimile transmission this 30th day of September, 1996 to each of the following persons:

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