

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

JUN 15 1996

Oil Conservation Division

APPLICATION OF GILLESPIE-CROW, INC.
FOR AN ALLOWABLE REDUCTION, 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

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley, L.L.P.
P.O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

APPLICANT

Gillespie-Crow, Inc.
P. O. Box 2557
Midland, TX 79702
Attn: William Crow
(915) 683-1765

OPPONENT'S ATTORNEY

William F. Carr

OPPONENT

Yates Petroleum Corp.

OTHER PARTY'S ATTORNEY

J. Scott Hall

OTHER PARTY

Enserch Exploration Inc.

STATEMENT OF THE CASE

APPLICANT

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 which are completed in the same the Strawn reservoir in which Unit wells are completed. Without the requested production restrictions, non-Unit wells benefit unfairly from the pressure maintenance project without having to pay a portion of its costs. This application affects a

portion of the West Lovington-Strawn Pool. The production restrictions would remain in place pending unitization of additional acreage outside the Unit.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
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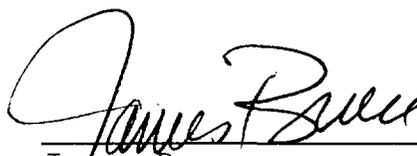
OPPONENT

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

Applicant has been informed that Yates will be filing a motion to dismiss. Applicant proposes that at the August 22nd hearing, the motion to dismiss be argued, and no witnesses be presented. Yates' counsel concurs in this request.

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



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Attorneys for Gillespie-Crow,
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