

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

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

APPLICATION OF GRUY PETROLEUM  
MANAGEMENT CO. AND WADI PETROLEUM,  
INC. TO AMEND THE SPECIAL RULES  
AND REGULATIONS FOR THE WHITE  
CITY-PENNSYLVANIAN GAS POOL, OR  
IN THE ALTERNATIVE FOR APPROVAL  
OF FOUR UNORTHODOX INFILL GAS WELL  
LOCATIONS, TWO UNORTHODOX GAS WELL  
LOCATIONS, AND ONE INFILL GAS WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.

No. 12873

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Gruy Petroleum Management Co.  
P.O. Box 140907  
Irving, Texas 75014

Attention: Zeno Farris

APPLICANT'S ATTORNEY

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicants seek an order amending the Special Rules and Regulations  
for the White City-Pennsylvanian Gas Pool to provide for the option  
to drill one well on each quarter section within a standard 640 gas  
spacing unit and for the setback requirement for wells be relaxed  
such that wells can be located no closer than 660 feet to a quarter  
section line nor closer than 10 feet to a quarter-quarter section  
line or subdivision inner boundary. The pool covers all of  
Sections 8, 9, 15-17, 19-22, and 26-35, Township 24 South, Range 26  
East, N.M.P.M., Sections 14 and 10-14, Township 25 South, Range 26  
East, N.M.P.M., and Section 7, Township 25 South, Range 27 East,  
N.M.P.M.

In the alternative, applicants seek approval of four unorthodox infill gas well locations, two unorthodox gas well locations, and one infill gas well location for wells to be located in Sections 9, 15, 16, and 22, Township 24 South, Range 26 East, N.M.P.M.

The application is also being supported by Murchison Oil & Gas, Inc.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
_____ (geologist)	20 min.	six
_____ (engineer)	20 min.	six
Michael Daugherty (engineer)	25 Min.	ten

OPPONENT

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

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Applicants