

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:

FEB 1 1967

CASE NO. 10036

IN THE MATTER OF CASE NO 10036 BEING REOPENED
PURSUANT TO THE PROVISIONS OF ORDER NO. R-8170-G
WHICH ORDER PROMULGATED SPECIAL RULES AND REGULATIONS
FOR THE EUMONT GAS POOL, ESTABLISHING A MINIMUM GAS
ALLOWABLE FOR SAID POOL, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

ORIGINAL APPLICANT

Texaco Inc.

ATTORNEY

William F. Carr, Esq.

PROPOSED EVIDENCE

CONOCO

Conoco will present an engineering witness who has concluded that the minimum gas allowable should be continued because:

(1) based upon decline curve analysis, the minimum gas allowable has provided an economic incentive for operators to produce additional gas from the pool which would not otherwise have been recovered;

(2) based upon economic analysis, Conoco has conducted additional remedial work on certain of its Eumont wells resulting in increased recoveries which would not have been economic in the absence of the minimum allowable;

(3) there is and continues to be market demand for the additional gas which has been and will continue to be produced pursuant to the subject minimum gas allowable.

(4) continuation of the 600 MCFPD minimum allowable will give Conoco an incentive to undertake additional work in the pool only if this minimum gas allowable is available.

WITNESSES	EST. TIME	EXHIBITS
Mark McClelland (P.E.)	30 min.	est. 10 exhibits

PROCEDURAL MATTERS

None proposed by Conoco Inc. at the time of file this Prehearing Statement

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Pre-Hearing Statement
Case Nos. 10036
Page 2

OTHER PARTY

Conoco Inc.
10 Desta Drive, Ste.100W
Midland, Texas 79762-4500
Attn: Jerry Hoover
(915) 686-6548

ATTORNEY

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

OTHER PARTIES

Chevron USA Inc.
Oil Conservation Division
Doyle Hartman

ATTORNEYS

William F. Carr, Esq.
Robert G. Stovall, Esq.
J. E. Gallegos, Esq.

STATEMENT OF THE CASE

CONOCO:

Conoco Inc. continues to support the minimum gas allowable of 600 MCFPD for an acreage factor of 1.0 established by the Division effective December 1, 1990 for the Eumont Gas Pool.

Texaco

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PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Texaco Inc. _____
c/o Dorothy Brelah _____
205 East Bender _____
Hobbs, New Mexico 88240 _____
(505) 397-0421 _____

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

name, address, phone and
contact person

OTHER PARTY

ATTORNEY

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Texaco will present evidence in support of permanent rules setting a minimum allowable of 600 MCF/D for the Eumont Gas Pool.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

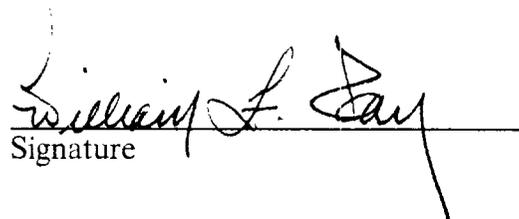
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Dorothy Brelih, Petroleum Engineer	15 Min.	Approximately 7

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


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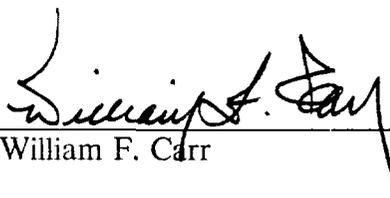
CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of February, 1994, I have caused to be mailed and/or hand-delivered a copy of our Pre-Hearing Statement in the above-captioned case to the following named counsel:

Robert G. Stovall, Esq.
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

J. E. Gallegos, Esq.
The Gallegos Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265



William F. Carr

Texaco

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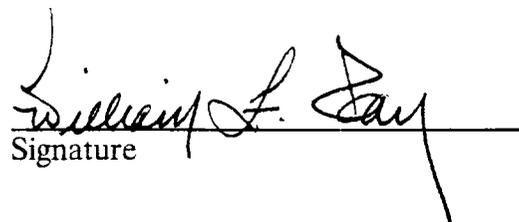
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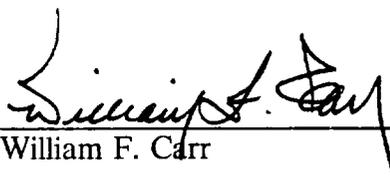
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Chevron

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New Mexico Department of Energy
Minerals & Natural Resources
State Land Office Building
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ATTORNEY

Chevron U.S.A. Inc. _____
c/o Al Bohling _____
Post Office Box 1150 _____
Midland, Texas 79702 _____
(915) 687-7246 _____

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Chevron will present testimony in support of continuing the 600 MCF/D minimum allowable for the Eumont Gas Pool. Chevron's witnesses will review development activity in this pool since minimum allowables were established in 1990. Chevron will also review recent changes in their ability to market natural gas produced from this pool.

PROPOSED EVIDENCE

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WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OTHER PARTY

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EST. TIME

EXHIBITS

A. W. Bohling, Petroleum Engineer

10 Min.

Approximately 3

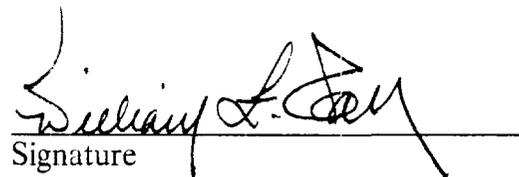
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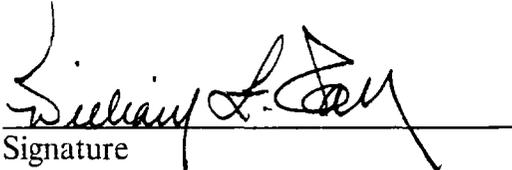
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