

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

CASE NO. 11313

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR A UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO

RECEIVED

JUN 26 1995

Oil Conservation Division

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Resources Inc.
Midland, Texas

ATTORNEY

Jim Bruce, Esq.
P. O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

OPPONENT

Meridian Inc.
P. O. Box 51810
Midland, Texas 79710
Attn: Trey Shepherd
(915) 688-6800

ATTORNEY

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

STATEMENT OF CASE

OPPONENT:

Meridian Oil Inc., objects to the request by Santa Fe Resources, Inc. for Division approval of its proposed Falcon Federal Unit consisting of 4800 acres, more or less.

This proposed Unit includes Section 32, T23S, R32E and Section 5, T24S, R32E, NMPM, Lea County, New Mexico which are State of New Mexico tracts subject to current oil & gas lease(s) in which Meridian Oil Inc. has some or all of the rights to drill and develop (working interest). In addition, Meridian Oil Inc. has a working interest in federal leases in Sections 28 and 33, T23S, R32E., NMPM, Lea County, New Mexico.

It is Meridian Oil Inc.'s opinion that Santa Fe Resources, Inc. is seeking a unit for no purpose other than an attempt to extend expiring leases. Meridian is opposed to approval of this unit because this entire area is best developed on a competitive "leasehold" basis.

PROPOSED EVIDENCE

OPPONENT

WITNESSES	EST. TIME	EXHIBITS
Trey Shepherd (landman)	20-30 Min.	est. 4 exhibits
Markus Thomerson (geologist)	30 Min.	est. 3 exhibits
Billy Juroska (petroleum engineer)	30 Min.	est. 4 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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

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

RECEIVED

JUN 23 1995

Oil Conservation Division

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

CASE NO. 11,313

APPLICATION OF SANTA FE ENERGY
RESOURCES, INC. FOR A
UNIT AGREEMENT, LEA COUNTY,
NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy
Resources, Inc.
Suite 1330
550 West Texas
Midland, Texas 78701
(915) 687-3551
Attention: Curtis D. Smith

ATTORNEY

James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant requests approval of the Falcon Federal Unit Agreement covering 4800 acres of State and Federal lands in Lea County, New Mexico. Applicant proposes to drill a well to test the Morrow formation. Unitization will ensure orderly development of the Morrow and other prospective reservoirs in this area.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Curtis D. Smith (Landman)	10 minutes	(a) Land Plat (b) Unit Agreement (c) Land Commissioner Preliminary Approval (d) Ratifications (e) AFE
Kurt Anderson (Geologist)	10 minutes	(a) Structure map (b) Cross-section

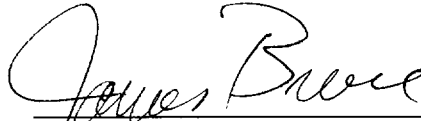
OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Santa Fe Energy
Resources, Inc.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Pre-Hearing Statement was mailed via first class mail this 23rd day of June, 1995 to:

William F. Carr, Esq.
Campbell, Carr & Berge, P.A.
110 N. Guadalupe, Suite 1
Santa Fe, New Mexico 87501

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



James Bruce

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 22, 1995

VIA FACSIMILE AND HAND DELIVERED

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RECEIVED
JUN 22 1995
Oil Conservation Division

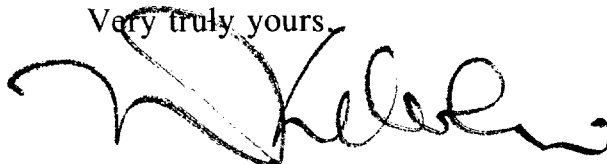
ms
Re: NMOCD Case 11313
Application of Santa Fe Energy Resources, Inc.
for a approval of its proposed Falcon Unit Agreement,
Lea County, New Mexico

Dear Mr. Stogner:

On behalf of Meridian Oil Inc., an adversely affected interest owner, please find enclosed our Entry of Appearance in opposition to the applicant in the referenced case which is now set for an Examiner's hearing in Hobbs on June 29, 1995.

In addition, we are requesting that this case be continued until the hearing scheduled for July 13, 1995.

Very truly yours,



W. Thomas Kellahin

cc: Meridian Oil Inc.
Attn: Trey Shepherd

cc: Via facsimile to:
Jim Bruce, Esq. and Conrad Coffield, Esq.
Attorneys for applicant

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

RECEIVED

JUN 22 1995

Oil Conservation Division

IN THE MATTER OF THE APPLICATION
OF SANTA FE ENERGY RESOURCES INC.
FOR APPROVAL OF ITS PROPOSED FALCON
UNIT AGREEMENT,
LEA COUNTY NEW MEXICO

CASE NO. 11313

ENTRY OF APPEARANCE
AND
REQUEST FOR CONTINUANCE

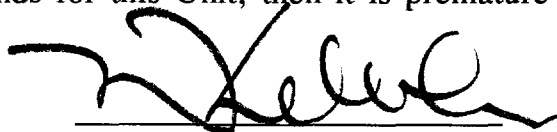
Comes now MERIDIAN OIL INC., by its attorneys, Kellahin and Kellahin, and enters its appearance in this case as an interested party in opposition to the applicant.

In addition, Meridian Oil Inc. requests that this case be continued from the Examiner's docket now schedule for June 29, 1995 to the Examiner Docket scheduled for July 13, 1995 and as ground therefore states:

(1) That Applicant's proposed unit contains two sections which are State of New Mexico tracts and subject to the jurisdiction of the Commissioner of Public Lands State of New Mexico.

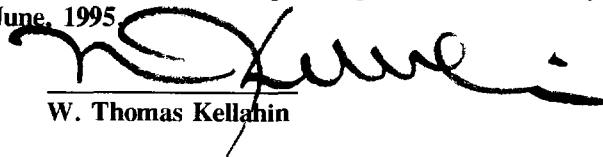
(2) Applicant has requested a hearing before the New Mexico Oil Conservation Division **prior** to obtaining approval from the Commission of Public Lands for this proposed Falcon Unit.

(3) Until such time as the applicant has obtained approval of the Commissioner of Public Lands for this Unit, then it is premature to present this matter to the Division.



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

CERTIFICATE OF MAILING: I certify that a copy of this pleading was transmitted by facsimile to counsel for applicant this 22 day of June, 1995.



W. Thomas Kellahin

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

RECEIVED

JUN 21 1995

Oil Conservation Division

IN THE MATTER OF THE APPLICATION
OF SANTA FE ENERGY RESOURCES, INC.
FOR A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

CASE NO. 11313

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR & BERGE, P.A., and hereby enters its
appearance in the above referenced case on behalf of Harvard Petroleum Corp..

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

By:



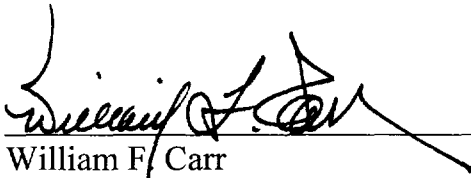
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR HARVARD
PETROLEUM CORP.

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of June, 1995, I have caused to be mailed a copy of our Entry of Appearance in the above-captioned case to the following named counsel:

James G. Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068



William F. Carr