

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

RECEIVED

APR 26 2004

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

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

CASE NO. 13252

THE APPLICATION OF MISSION RESOURCES  
CORPORATION FOR THREE INFILL GAS WELLS  
AND SIMULTANEOUS DEDICATION, LEA COUNTY,  
NEW MEXICO

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement pursuant to the rules  
of the Oil Conservation Division.

WFC  
4/28/04

APPEARANCES

APPLICANT

Mission Resources Corporation  
Attn: Nancy K. Gatti  
1331 Lamar, Suite 1455  
Houston, Texas 77010  
713/495-3128

ATTORNEY

William F. Carr, Esq.  
Holland & Hart, LLP  
P. O. Box 2208  
Santa Fe, NM 87504-2208  
505/988-4421

APPLICANT'S STATEMENT OF CASE

Applicant seeks an exception to the well location requirements provided  
within the "Special Pool Rules for the Jalmat Gas Pool", as promulgated by  
Division Order No. R-8170-P, for three infill gas well locations within an  
existing standard 640-acre spacing and proration unit in the Jalmat Gas Pool

comprised of Section 11, Township 22 South, Range 36 East, NMPM. This unit is currently dedicated to Mission Resources Corporation's:

- (A) State "A" A/C-2 Well No. 14 (**API No. 30-025-08873**), located at an unorthodox location 660 feet from the North and 1980 feet from the East line (Unit B) of Section 11;
- (B) State "A" A/C-2 Well No. 15 (**API No. 30-025-08874**), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11;
- (C) State "A" A/C-2 Well No. 36 (**API No. 30-025-08878**), located at an unorthodox location 660 feet from the South and West lines (Unit M) of Section 11;
- (D) State "A" A/C-2 Well No. 42 (**API No. 30-025-08879**), located at an unorthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 11;
- (E) State "A" A/C-2 Well No. 62 (**API No. 30-025-25542**), located at a standard gas well location 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 11;
- (F) State "A" A/C-2 Well No. 73 (**API No. 30-025-30035**), located at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11;
- (G) State "A" A/C-2 Well No. 75 (**API No. 30-025-34791**), located at an unorthodox gas well location 2040 feet from the South line and 660 feet from the West line (Unit L) of Section 11;
- (H) State "A" A/C-2 Well No. 79 (**API No. 30-025-35651**), located at an unorthodox infill gas well location 660 feet from the North and west lines (Unit D) of Section 11; and
- (I) State "A" A/C-2 Well No. 80 (**API No. 30-025-35567**), located at a standard infill gas well location 1980 feet from the North and West lines (Unit F) of said Section 11.

Mission seeks an exception to the well location and well density provisions of Rule 3.A (2) of the Special Pool Rules governing the Jalmat Gas Pool for the following three proposed Jalmat wells located in Section 11:

- (1) State "A" A/C-2 Well No. 82, to be drilled at a standard infill gas location 1980 feet from the South and East lines (Unit J) of said Section 11;
- (2) State "A" A/C-2 Well No. 83, to be drilled at a standard infill gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 11; and
- (3) State "A" A/C-2 Well No. 84, to be drilled at a standard infill gas well location 660 feet from the South line and 1886 feet from the East line of said Section 11.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 640-acre unit from all twelve of the above-described State "A" A/C-2 Wells No. 14, 15, 36, 42, 62, 73, 75, 79, 80, 82, 83 and 84. This spacing unit is located approximately 3.5 miles southwest of Eunice, New Mexico.

#### **APPLICANT'S PROPOSED EVIDENCE**

WITNESS		
(Name and Expertise)	ESTIMATED TIME	EXHIBITS
Nancy Gatti / Carol Cooley (Land)	Approx. 10 minutes	Approx. 3
David Percy (Geology)	Approx. 15 minutes	Approx. 3
Glenn Kemp (Petroleum Engineer)	Approx. 20 minutes	Approx. 7

**PROCEDURAL MATTERS**

Mission Resources Corporation has none at this time

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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Attorneys for Mission Resources  
Corporation