

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:

APPLICATION OF PRIMERO OPERATING, INC.
FOR AN EXCEPTION TO DIVISION RULE
104.C.(3), CHAVES COUNTY, NEW MEXICO.

Case No. 13411

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Primero Operating, Inc.
P.O. Box 1433
Roswell, New Mexico 88202

APPLICANT'S ATTORNEY

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

Attention: Phelps White
(505) 622-1001

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order granting an exception to Division Rule 104.C.(3) to allow two wells in the San Andres formation (West Cato-San Andres Gas Pool) in the NE¼ of Section 7, Township 8 South, Range 30 East, NMPM. The well unit will be simultaneously dedicated to the C.L. O'Brien Well No. 1, located 660 feet from the north and east lines of Section 7, and the C.L. O'Brien Well No. 2, located 1980 feet from the north line and 660 feet from the east line of Section 7. The exception will allow applicant to produce both wells concurrently.

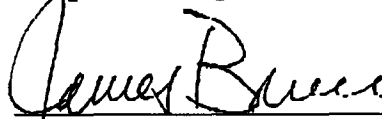
OPPONENT

PROPOSED EVIDENCE**APPLICANT****WITNESSES****EST. TIME****EXHIBITS**

THIS MATTER WAS HEARD, BUT WAS RE-ADVERTISED TO CORRECT ERRORS
IN THE DIVISION'S ADVERTISEMENT. NO ADDITIONAL TESTIMONY WILL
BE PRESENTED.

OPPONENT**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce
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Attorney for Primero Operating,
Inc.