

**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 KAISER-FRANCIS OIL
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case No. 21464

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Kaiser-Francis Oil Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121

Attention: David Hamilton

APPLICANT'S ATTORNEY

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

OTHER PARTY

OTHER PARTY'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Kaiser-Francis Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying a (proximity tract) horizontal spacing unit comprised of the E/2 of Section 31, Township 25 South, Range 33 East, N.M.P.M. and the E/2 of Section 6, Township 26 South, Range 33 East, N.M.P.M. The unit will be dedicated to (i) the Red Hills Well Nos. 404H, 504H, and 604H, with first take points in the NW/4NE/4 of Section 31 and last take points in the SW/SE/4 of Section 6, and (ii) the Red Hills Well Nos. 406H, 505H, 506H, 606H, and 606H, with first take points in the NE/4NE/4 of Section 31 and last take points in the SE/SE/4 of Section 6. Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk

involved in drilling, completing, and equipping the wells. The unit is located approximately 23-1/2 miles west of Bennett, New Mexico.

OTHER PARY

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
David Hamilton (landman)	15 min.	Approx. 8
Chris Miller (geologist)	10 min.	Approx. 4

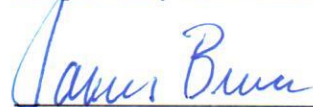
OTHER PARY

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

If the case is unopposed it will be presented by affidavit.

Respectfully submitted,



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

Attorney for Kaiser-Francis Oil Company