

BEFORE THE OIL CONSERVATION DIVISION  
DEPARTMENT OF ENERGY AND MINERALS  
STATE OF NEW MEXICO

RECEIVED

MAY 20 2004

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

APPLICATION OF ARCH PETROLEUM INC. AND  
WESTBROOK OIL CORPORATION FOR APPROVAL  
OF TWO NON-STANDARD GAS SPACING AND  
PRORATION UNIT IN THE JALMAT GAS POOL.

No. 13274

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Fulfer Oil & Cattle Co. ("Fulfer") in accordance with Rule 1208.B.,19 NMAC 15.N, in opposition to the Application of Arch Petroleum and Westbrook Oil Corp. for approval of two non-standard gas spacing units in the Jalmat Gas Pool.

APPEARANCES OF PARTIES

APPLICANTS

Arch Petroleum, Inc.  
Midland, Texas

Westbrook Oil Corp.  
Midland, Texas

Attorney

James Bruce  
P.O. Box 1056  
Santa Fe, NM 87504-1056

OBJECTOR

Fulfer Oil & Cattle Co.

J.E. Gallegos  
Michael J. Condon  
Gallegos Law Firm, P.C.  
460 St. Michael's Drive, Bldg. 300  
Santa Fe, NM 87505  
(505) 983-6686

To Fulfer's knowledge, no other party has entered an appearance or filed opposition in this matter.

**FULFER'S STATEMENT OF THE CASE**

Applicants purpose to convert the 320 acres in the South one-half of Section 20, T23S, R37E, NMPM, into two 160 Jalmat Gas Pool Spacing Unit. Fulfer believes that the terms requested and creation of such spacing unit would constitute a violation of Jalmat Gas Pool Special Rule 2(C) and that the well density requested and that will result is not scientifically justified and will cause waste.

**PROPOSED EVIDENCE**

**FULFER**

**MAY-CALL  
WITNESS  
(Name and Expertise)**

**ESTIMATED TIME**

**EXHIBITS**

Norman Nuss  
Petroleum Engineer

30 min.

As needed for  
rebuttal

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By   
\_\_\_\_\_  
J.E. GALLEGOS  
MICHAEL J. CONDON  
460 St. Michael's Drive, Bldg. 300  
Santa Fe, New Mexico 87505  
(505) 983-6686

Attorneys for Fulfer Oil & Cattle Co.

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused a true and correct copy of the foregoing to be faxed and mailed on this 20<sup>th</sup> day of May, 2004 to the following:

James Bruce  
P.O. box 1056  
Santa Fe, New Mexico 87504-1056

  
\_\_\_\_\_  
J. E. GALLEGOS

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 ARCH PETROLEUM INC.  
AND WESTBROOK OIL CORPORATION FOR  
APPROVAL OF TWO NON-STANDARD GAS  
SPACING AND PRORATION UNITS IN THE  
JALMAT GAS POOL, LEA COUNTY, NEW MEXICO.

Case No. 13274

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Arch Petroleum Inc., et al.  
Post Office Box 10340  
Midland, Texas 79702

Attention: Thomas R. Land  
(432) 685-8126

APPLICANT'S ATTORNEY

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

OPPONENT

Fulfer Oil & Cattle, LLC

OPPONENT'S ATTORNEY

J.E. Gallegos

STATEMENT OF THE CASE

APPLICANT

Applicants seek approval of (i) a non-standard gas spacing and proration unit comprised of the SW $\frac{1}{4}$  of Section 20, Township 23 South, Range 37 East, NMPM, to be dedicated in the Jalmat Gas Pool to the Steeler "A" Well No. 1, located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of the section, to be operated by Westbrook Oil Corporation, and (ii) a non-standard gas spacing and proration unit comprised of the SE $\frac{1}{4}$  of Section 20 in said township and range, to be dedicated in the Jalmat Gas Pool to the Resler "B" Well No. 1, located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of the section, to be operated by Arch Petroleum Inc.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Thomas R. Land (landman)	10 min.	Five
(geologist)	10 Min.	Three
Mark Kelley (engineer)	15 min.	Three

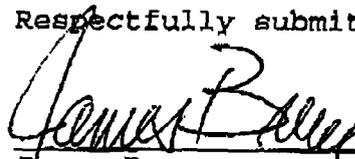
OPPONENT

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

-None-

Respectfully submitted,




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

Attorney for Arch Petroleum Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served via facsimile transmission upon the following counsel of record this 23rd day of May, 2004:

J.E. Gallegos  
Gallegos Law Firm  
Building 300  
460 St. Michael's Drive  
Santa Fe, New Mexico 87505  
(505) 986-0741

  
\_\_\_\_\_  
James Bruce