

(11)

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 MCKAY OIL CORPORATION
TO AMEND THE SPECIAL RULES AND
REGULATIONS FOR THE WEST PECOS SLOPE-
ABO GAS POOL, CHAVES COUNTY, NEW MEXICO.

Case No. 13,976

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

McKay Oil Corporation
P.O. Box 2014
Roswell, New Mexico 88202

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order amending the special rules and regulations for the West Pecos Slope-Abo Gas Pool. Division Order No. R-9976, as amended, instituted special rules and regulations for the pool including: (i) 160 acre well units; (ii) wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line; and (iii) two wells per well unit. Applicant requests that the special rules and regulations for the Pool be amended to provide for: (a) four wells per well unit, whether they are vertical or horizontal wells; (b) wells to be located no closer than 330 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line, subject to the directional drilling provisions of NMAC 19.15.3.111; (c) an administrative procedure for an exception to the well density provisions of the amended rules; and (d) a buffer zone whereby the amended rules will not apply to any quarter section adjoining any other Division-designated Abo gas pool. The pool includes all or parts of

Township 5 South, Ranges 21-22 East, N.M.P.M., Township 6 South, Ranges 22-23 East, N.M.P.M., Township 7 South, Ranges 22-23 East, N.M.P.M., Township 8 South, Ranges 22-23 East, N.M.P.M., and Township 9 South, Ranges 22-23 East, N.M.P.M.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jim Schultz (landman)	15 min.	Approx. 4
John Home (Geologist)	40 Min.	Approx. 12
_____ (engineer)	15 min.	Approx. 4

OPPONENT

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

The geologist will make a power point presentation, so applicant requests that the hearing room be properly prepared.

Respectfully submitted,



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

Attorney for McKay Oil Corporation