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 THE NEW MEXICO OIL CONSERVATION DIVISION FOR A COMPLIANCE ORDER, LEA COUNTY, NEW MEXICO.

M SEP 26 PM 4 18

Case No. 13,990

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Oil Conservation Division

OPPONENT

Pogo Producing Company P.O. Box 10340 Midland, Texas 79702

Attention:

Garland H. Lang (432) 685-8126 APPLICANT'S ATTORNEY

Gail MacQuesten

OPPONENT'S ATTORNEY

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

The Division seeks penalties for noncompliance with regulations regarding the Resler B Well No. 1 in the SE% of Section 20, Township 23 South, Range 37 East, N.M.P.M.

OPPONENT

Pogo Producing Company opposes the relief sought by the Division. The opposing parties involved in the underlying case have now agreed to form two 160 acres units. Pogo Producing Company will be filing an application to obtain approval of the units, place the well back on production, and file all pertinent reports. The well will be fully compliant, and no interest owner in the well unit has been harmed. Plugging the subject well will cause waste.

9822151

PROPOSED EVIDENCE

APPLICANT

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

Garland H. Lang 30 min. Approx. 5 (landman)

Glenn Curry 30 min. Approx. 5 (geologist)

OPPONENT

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

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce Post Office Box 1056

Santa Fc, New Mexico 87504

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Attorney for Pogo Producing Company