

**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 KERNS PETROLEUM,
INC. FOR POOL CREATION, A DISCOVERY
ALLOWABLE, AND SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.**

Case No. **14,160**

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PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Kerns Petroleum, Inc.
Suite 930
1777 N.E. Loop 410
San Antonio, Texas 78217

Attention: Kerry A. Johnston
(210) 829-7881

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 (i) creating a new pool for production of oil from the Yates-Seven formation, to be named the West Eumont Yates-Seven Rivers Pool, comprising the NW¼ of Section 36, Township 21 South, Range 35 East, N.M.P.M., (ii) granting applicant a discovery allowable, and (iii) establishing special rules and regulations for the pool, including a special depth bracket allowable of 350 barrels of oil per day, effective as of the date of first production from the discovery well. The discovery well for the pool is the Eumont State Well No. 1, located 900 feet from the north line and 1650 feet from the west line of Section 36.

OPPONENT**PROPOSED EVIDENCE**APPLICANTWITNESSESEST. TIMEEXHIBITS

Kerry A. Johnston
(landman)

10 min.

Approx. 4

(geologist)

15 min.

Approx. 6

Bryan Williams
(engineer)

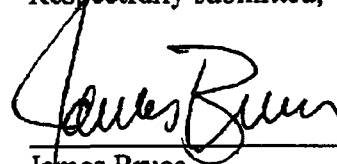
25 Min.

Approx. 12

OPPONENTWITNESSESEST. TIMEEXHIBITS**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



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

Attorney for Kerns Petroleum, Inc.