

**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:**

**CASE NO. 11165 (Reopened)**

**APPLICATION OF NAUMANN OIL & GAS, INC.  
TO VACATE DIVISION ORDER R-6792, AS AMENDED,  
FOR COMPULSORY POOLING, A NON-STANDARD GAS  
PRORATION AND SPACING UNIT AND AN UNORTHODOX  
GAS WELL SURFACE AND SUBSURFACE LOCATION  
LEA COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

**This pre-hearing statement is submitted by NAUMANN OIL & GAS,  
INC., as required by the Oil Conservation Division.**

**APPEARANCE OF PARTIES**

**APPLICANT**

Naumann Oil & Gas, Inc.  
c/o Logro Corp.  
P. O. Box 261324  
Plano, Texas 75026-1324  
attn: David N. Frye  
(214) 964-0608

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

## **STATEMENT OF CASE**

### **APPLICANT**

Naumann has acquired ownership of the wellbore known as the Custer Wells No 1. which is a temporarily abandoned well formerly drilled as an Ellenburger formation test to a total depth of 12,964 feet and then plugged back to 9,594 feet and produced from a perforated interval 9435 feet to 9482 feet. Naumann has a working interest ownership in the oil and gas minerals underlying the W/2 of Section 6, T25S, R37E, NMPM, Lea County, New Mexico.

The Custer Wells No. 1 was originally drilled by ARCO Oil & Gas Company and was produced from January 12, 1982 to approximately July, 1991 when it was temporarily abandoned.

This well and its previous N/2 spacing and proration unit are the subject of Division Order R-6792, as amended which imposed a Devonian production limitation on said well as a result of being unorthodox from the west side of Section 6.

Division Order R-6792-A also requires that prior to recompletion of said Custer Wells Well No. 1 in any other Devonian interval the applicant shall give notice to offset operators by certified mail and shall obtain an order from the Division authorizing such recompletion.

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Naumann proposes to re-orient this well's spacing unit from the N/2 to the W/2 of said Section 6 and thereby make this well's subsurface location a standard location which vacates the necessity for Division Order R-6792, as amended.

Naumann proposes to re-complete this well in the Devonian interval from approximately 10,140 feet to 10,160 feet, the top of which will be at an unorthodox subsurface location 1750 feet FNL and 1269 feet FWL of said Section 6.

On October 24, 1994, Naumann proposed the re-entry of the Custer Wells No. 1 to all interest owners in the proposed spacing unit and invited each interest owner to participate on a voluntary basis by each paying its proportionate share of the costs to re-enter, deepen and complete said well as a Devonian formation gas well.

On December 15, 1994, the original application for compulsory pooling came before the Division's Examiner for hearing and no party appeared in opposition.

At the time of the December 15th hearing, Applicant was not aware of Division Order R-6792, as amended.

In accordance with the Division's notice requirements and pursuant to the requirements of Division Order R-6792-A, a copy of this application and notice of this hearing will be sent to the operator, or in the absence of an operator the owners of interest in the Devonian spacing units towards which the subject well encroaches or which were parties to the hearing which resulted in Order R-6792, as amended, all as follows: Conoco Inc., Texaco Exploration & Production Inc. and Citation Oil & Gas Corp.

**PROPOSED EVIDENCE**

APPLICANT:

WITNESSES		EST. TIME	EXHIBITS
David N. Frye	(landman)	10 min.	3 exhibits
Jack Naumann	(geologist)	10 Min.	4 exhibits

**PROCEDURAL MATTERS**

None applicable at this time.

~~KELLAHIN AND KELLAHIN~~

By:   
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