

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION

RECEIVED

NOV 18 1995

Oil Conservation Division

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:

APPLICATION OF EXXON CORPORATION  
FOR A WATERFLOOD PROJECT,  
QUALIFICATION FOR THE RECOVERED  
OIL TAX RATE PURSUANT TO THE  
"NEW MEXICO ENHANCED OIL  
RECOVERY ACT" FOR SAID PROJECT,  
AND FOR 18 NON-STANDARD OIL WELL  
LOCATIONS, EDDY COUNTY, NEW MEXICO.

Case No. 11297 (de novo)

APPLICATION OF EXXON CORPORATION  
FOR STATUTORY UNITIZATION, EDDY  
COUNTY, NEW MEXICO.

Case No. 11298 (de novo)

Order No. R-10460

**REQUEST BY EXXON CORPORATION  
TO HAVE DE NOVO CASES  
HEARD IN NOVEMBER 1995**

Premier Oil & Gas, Inc. (Premier) has filed an application for a hearing de novo in the above cases, and has requested that the cases be heard in January 1996. Exxon Corporation (Exxon) objects to having the cases heard in January 1996, and requests that they be heard at the scheduled November 1995 Commission Hearing. In support of its request, Exxon states:

1. Exxon has already accommodated substantial delay in these cases at Premier's request:

Sept 18 Order  
Oct 13th

(a) In early 1995, Premier requested 90 days advance notice of the Division hearing date on these applications, and Exxon agreed to defer the hearing to June 1, 1995 to allow Premier time to prepare for the case.

(b) Premier subsequently requested a two week continuance of the hearing to June 15, 1995, for additional time to prepare, to which Exxon voluntarily agreed.

(c) Due to a heavy caseload at the Division, the cases were continued again and finally heard on June 29, 1995.

2. The budget for this project was approved by Exxon, but Exxon delayed commencing substantial project investments until the order was ultimately issued on September 18, 1995. Exxon implemented all steps to make the Unit effective October 1, 1995 to minimize further delay of the project. The cost of the water injection project has been approved by the working owners in the Unit, and each additional month until a final order is issued delays waterflood response.

3. Exxon plans to commence drilling injection wells in November 1995, but by necessity must delay construction of injection facilities and drilling of injection wells on non-Exxon leases until after the Commission issues its order. Any delay in the de novo hearing will result in a commensurate delay in the issuance of a final order and implementation of the waterflood. This in turn defers waterflood response and additional production, to the detriment of Unit royalty and working interest owners. As a result of

the expenditure of funds with delayed waterflood response, there is an adverse effect on the economics of the waterflood.

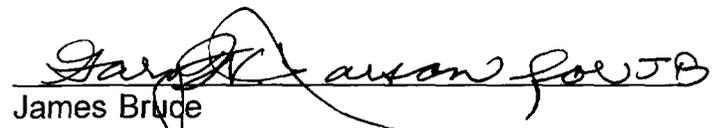
4. Exxon's technical witnesses are scheduled for different projects commencing December 1995, leading to scheduling difficulties on Exxon's part.

5. The meeting Mr. Kellahin has scheduled for November 9, 1995 is voluntary and can be rescheduled.

For the foregoing reasons, Exxon requests these cases be heard at the November 1995 Commission Hearing.

Hinkle, Cox, Eaton, Coffield &  
Hensley, P.L.L.C., Ltd., Co.

By:

  
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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Request by Exxon Corporation to Have De Novo Cases Heard in November 1995 was mailed first class mail, postage paid on this 1<sup>st</sup> day of October, 1995 to:

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