

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

CASE NO. 11297

APPLICATION OF EXXON CORPORATION FOR
WATERFLOOD PROJECT AND EOR QUALIFICATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11298

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

RECEIVED

JUN 26 1995

PRE-HEARING STATEMENT

Oil Conservation Division

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

APPEARANCE OF PARTIES

APPLICANT

Exxon Corporation
Midland, Texas

ATTORNEY

Jim Bruce, Esq.
P. O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

PROPONENT

Yates Petroleum Corporation
Artesia, NM

ATTORNEY

William F. Carr, Esq.
P. O. Box 2088
Santa Fe, New Mexico 87501
(505) 9884421

OPPONENT

Premier Oil & Gas Inc.
P. O. Box 1246
Artesia, New Mexico 88210
Attn: Ken Jones
(505) 748-2093

ATTORNEY

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

STATEMENT OF CASE

OPPONENT:

Premier Oil & Gas Inc. is the working interest owner of oil & gas leases which are located in the E/2E/2 of Section 25, T20S, R27E, NMPM and which are identified as constituting Tracts 1109, 1309, 1509 and 1709 under the proposed Avalon-Delaware Unit.

Applicant's proposed unit shape, determination of the distribution of hydrocarbon pore volume and the primary and secondary production estimates fail to provide "relative value" to Tracts 1109, 1309, 1509 and 1709 as required by Section 70-7-4(J), NMSA (1978), as amended and, unless corrected by the Division, the correlative rights of Premier Oil & Gas Inc. will be violated.

Premier Oil & Gas Inc. will present geologic and petroleum engineer evidence to demonstrate the appropriate distribution of reservoir pore volume with corresponding adjustments and the proper relative value to be attributed to Tracts 1109, 1309, 1509, 1709 and others to allow the owners of these tracts the opportunity to recover their proportionate share of the total recoverable hydrocarbons from the unit.

Premier Oil & Gas Inc. requests the Division to issue a Statutory Unitization order which (1) excludes the Premier tracts or, in the alternative (2) utilize Premier's distribution of hydrocarbon pore volume and reject those proposed by the Applicant.

PROPOSED EVIDENCE

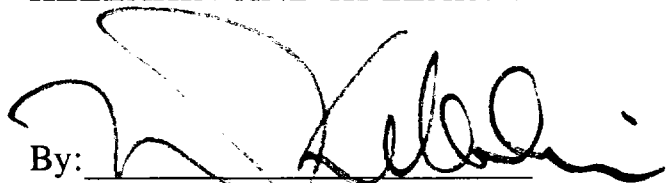
OPPONENT

WITNESSES	EST. TIME	EXHIBITS
Stewart Hanson (geologist)	30-60 Min.	est. 4 exhibits
Gerald Harrington (geologist)	30-60 Min.	est. 4 exhibits
Paul White (petroleum engineer)	30-60 Min.	est. 9 exhibits
Ken Jones (operator)	30-45 Min.	est. 8 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

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