

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

**APPLICATION OF MERIDIAN OIL INC.
FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION, SAN
JUAN COUNTY, NEW MEXICO - PURPOSED
SEYMOUR WELL NO. 7A**

CASE NO. 11434

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator ("Hartman"), as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Meridian Oil Inc.
Post Office Box 4289
Farmington, NM 87499-4289

ATTORNEYS

Tom Kellahin
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Post Office Box 2265
Santa Fe, NM 87504-2265

OPPOSITION OR OTHER PARTY

Doyle Hartman and Margaret Hartman
d/b/a Doyle Hartman, Oil Operator
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To Hartman's knowledge, no other party has entered an appearance or filed opposition in this matter.

PROPOSED EVIDENCE

The applicant, Meridian Oil Inc., has not yet served its Pre-Hearing Statement.

OPPOSITION OR OTHER PARTY

Hartman, an interested party, intends to present the following exhibits in opposition to Meridian's application:

1. March 30, 1953 Communitization Agreement covering the E/2 Section 23, T31N, R9W, NMPM 320 acre proration unit.
2. April 10, 1953 Operating Agreement.

These agreements are attached as Exhibits A and B to Hartman's Intervention and Motion to Dismiss which was filed in this matter on November 28, 1995, and are incorporated herein by reference.

As stated above, to Hartman's knowledge, no other party has entered an appearance or filed opposition in this matter.

STATEMENT OF THE CASE

Hartman opposes the application of Meridian Oil Inc. for compulsory pooling and approval of an unorthodox gas well location for the proposed Seymour Well No. 7A. The 320 acre proration unit is dedicated to the Seymour No. 7 well. By the 1953 Communitization Agreement and Operating Agreement, the interest owners authorized the drilling of one well and one well only on the subject 320 acre proration unit. That well was drilled and is known as the Seymour No. 7. Neither the Communitization Agreement nor the Operating Agreement provide for "additional operations," "additional wells" or any

similar terms or conditions by which Meridian can propose the Seymour 7A well. NMSA 1978 § 70-2-17(C) does not authorize compulsory pooling where the owners have already agreed to pool their interests. The Communitization Agreement and Operating Agreement control the means by which the property can be developed.

PROCEDURAL MATTERS

Hartman has requested a continuance of the hearing presently scheduled for December 7, 1995. The Division must decide the issue of the legal insufficiency of Meridian's Application before scheduling and holding an evidentiary hearing on the merits of the Application. In addition, Meridian has failed to give Hartman and other interest owners sufficient opportunity and time to review the AFE regarding the proposed Seymour No. 7A well. Meridian's letter of October 31, 1995 to the working interest owners was not received by Hartman until November 6, 1995, the same date Meridian filed its Application in this case. Hartman received Meridian's application November 13, 1995. Notice of the December 7 hearing was not received by Hartman until the week of November 20, 1995.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By 

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Attorneys for Hartman

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing to be hand-delivered on this 1st day of December, 1995 to the following:

Tom Kellahin
117 N. Guadalupe
Santa Fe, NM 87501



MICHAEL J. CONDON