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

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

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APPLICATION OF READ & STEVENS, INC. FOR AN UNORTHODOX GAS WELL LOCATION AND SIMULTANEOUS DEDICATION, CHAVES COUNTY, NEW MEXICO.

CASE NO. 11514 (DE NOVO)

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by UMC Petroleum Corporation as required by the Oil Conservation Commission.

APPEARANCES

APPLICANT'S ATTORNEY

APPLICANT

W. Thomas Kellahin

Read & Stevens, Inc.

OPPONENT'S ATTORNEY

OPPONENT

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STATEMENT OF THE CASE

APPLICANT

OPPONENT

Read & Stevens seeks approval of an unorthodox infill gas well location in the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool. The proposed well will be simultaneously dedicated to an existing well in the S½ of Section 26, Township 15 South, Range 27 East. UMC operates wells in Section 35, to the south of the proposed well. The proposed well will drain UMC's leases, adversely affecting its correlative rights, and is unnecessary to drain the reservoir. Thus, the application should be denied, or in the