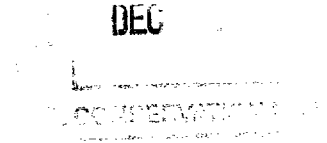


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

APPLICATION OF INTERCOAST OIL AND GAS
COMPANY FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.



CASE NO. 11666

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

InterCoast Oil and
Gas Company
Suite 700
7130 South Lewis
Tulsa, Oklahoma 74136
(918) 488-8283
Attn: Rock A. Quinn

APPLICANT'S ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley, L.L.P.
P.O. Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

OPPONENT

Yates Petroleum Corporation

OPPONENT'S ATTORNEY

W. Thomas Kellahin

STATEMENT OF THE CASE

APPLICANT

InterCoast filed an application to force pool the E½ §20-T20S-R28E, from the surface to the base of the Morrow formation, and for an unorthodox gas well location for a well to be drilled 990 feet FNL and FEL. The unorthodox location is necessary to ensure a reasonable chance of success in the Morrow. Yates Petroleum Corporation has also filed an application to pool the E½ §20 (Case 11677). Yates' proposed well is at the same location as InterCoast's well. Both parties desire to operate the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Rock A. Quinn (Landman)	25 min.	Approx. 8
Bill Siruta (Geologist)	15 min.	Approx. 6

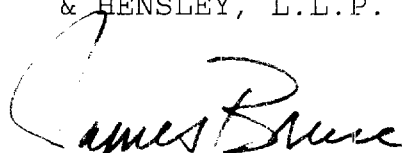
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Applicant requests that Cases 11666 and 11677 be consolidated for hearing.

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



James Bruce
P.O. Box 2068
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Attorneys for InterCoast Oil
and Gas Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was sent via facsimile transmission this 6th day of December, 1996 to:

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James Bruce