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:

CASE NO. 11807

APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT ATTORNEY

Stevens & Tull, Inc. W. Thomas Kellahin, Esq.

Kellahin & Kellahin Post Office Box 2265

Santa Fe, New Mexico 87504-2265

(505) 982-4285

name, address, phone and contact person

INTERESTED PARTY ATTORNEY

Shackelford Oil Company William F. Carr, Esq.

c/o Don G. Shackelford Campbell, Carr, Berge & Sheridan, P.A.

Post Office Box 10665 Post Office Box 2208

Midland, TX 79702 Santa Fe, New Mexico 87504

(915) 682-9784 (505) 988-4421

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STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Shackelford Oil Company is operator of the Arco State 886 #1 located in the SE/NW Section 16, T20S, R33E. In addition, Shackelford is the owner of the SW/NW and NW/NE of Section 16, T20S, R33E. Two of the aforementioned tracts are direct 40 acre offsets to the proposed SWD by Stevens and Tull. The Arco 886 #1 is currently producing from the upper Seven Rivers formation one of the proposed intervals for disposal by Stevens & Tull. It is believed that this could have a negative affect on this well. Therefore, we will request that the application be denied.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS (Name and expertise)

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bob L. Shackelford, Geologist	30 Min.	Cross Sections
Don G. Shackelford, Operator	15 Min.	Land Plat

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

Signature

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Pre-Hearing Statement to be hand-delivered on this day of July, 1997 to the following counsel of record:

W. Thomas Kellahin, Esq. Kellahin & Kellahin 117 North Guadalupe Street Santa Fe, New Mexico 87501

William F. Carr