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DEC - 2 1997

December 1, 1997

Via Fax and U.S. Mail

David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

Enclosed is a pre-hearing statement in Case 11888 (Application of Santa Fe Energy Resources, Inc. for compulsory pooling).

Very truly yours,



James Bruce

Attorney for Santa Fe
Energy Resources, Inc.

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 SANTA FE ENERGY
RESOURCES, INC. FOR COMPULSORY,
POOLING, LEA COUNTY, NEW MEXICO

Case No. 11888

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Santa Fe Energy
Resources, Inc.
Suite 1330
550 West Texas
Midland, Texas 79701
(505) 686-6736
Attn: Joe W. Hammond

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks to re-enter a well in the W $\frac{1}{2}$ §19-20S-34E, at an unorthodox surface location in the SW $\frac{1}{4}$, and directionally drill to an unorthodox bottomhole location. The well will test the Morrow formation. Two interest owners have failed to commit their interests to the well. Therefore, Applicant seeks to pool all formations spaced on 160 and 320 acres. Applicant also requests approval of the unorthodox gas well location.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Joe W. Hammond (landman)	10 min.	(a) land plat (b) correspondence (c) AFE (d) notice affidavit
Tom Tinney (geologist)	10 min.	(a) production map (b) isopach (c) cross-section

OPPONENT

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

-None-



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Attorney for Santa Fe Energy
Resources, Inc.