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NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 2, 1998

VIA FACSIMILE

Mr. David R. Catanach
Hearing Examiner

Rand Carroll, Esq.
Division Attorney

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

Re: NMOCD Case 11922
Application of Primero Operating, Inc.
for compulsory pooling and an
unorthodox gas well location
Lea County, New Mexico

Gentlemen:

Please find enclosed our pre-hearing statement in the referenced case
which is set for hearing on February 5, 1998.

Very truly yours,

W. Thomas Kellahin

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

CASE NO. 11922

**APPLICATION OF PRIMERO OPERATING, INC.
COMPANY FOR COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Primero Operating, Inc., as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Primero Operating, Inc.
P. O. Box 1433
Roswell, New Mexico 88202
(505) 622-1001
attn: Andy Grooms

ATTORNEY

W. Thomas Kellahin
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STATEMENT OF CASE

Primero has a working interest ownership in the oil and gas minerals from the surface to the base of the Devonian formation underlying the S/2 of Section 26, T16S, R35E, Lea County, New Mexico.

Primero seeks an order pooling all mineral interests from 10,667 feet (the approximate top of the Canyon formation) to 12,658 feet (a point within the Devonian formation) underlying the S/2 said Section 26.

NMOCD CASE 11922
Primero Operating, Inc.
Page 2

Primero proposes to re-enter the former Kennedy & Mitchell's Tilley Well 758-3 Well and complete it at an unorthodox location 330 feet from the South line and 1815 feet from the West line (Unit N) of said Section 26 and to be dedicated to the appropriate sized spacing unit for the appropriate pool.

Despite its good faith efforts, Primero has been unable to obtain a written voluntary agreement from all of the parties.

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Andy Grooms (landman)

20 Min. @ 6 exhibits

Phelps White (petroleum engineer)

20 Min. @ 4 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN

By: 

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