

**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 GRUY PETROLEUM
MANAGEMENT FOR AN UNORTHODOX
WELL LOCATION AND
SIMULTANEOUS DEDICATION.
LEA COUNTY, NEW MEXICO.

CASE NO. 12015

APPLICATION OF GRUY PETROLEUM
MANAGEMENT FOR AN UNORTHODOX
WELL LOCATION AND
SIMULTANEOUS DEDICATION.
LEA COUNTY, NEW MEXICO.

CASE NO. 12017

OIL CONSERVATION DIV.
98 AUG 32 PM 4:02

AMENDED 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

Gruy Petroleum Management
c/o Zeno Farris
600 E. Las Colinas Blvd., Suite 1200
Irving, TX 75039
(972) 443-6489

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

name, address, phone and
contact person

INTERESTED PARTY

ATTORNEY

Doyle Hartman, Oil Operator

Michael Condon, Esq.
Gallegos Law Firm
460 St. Michael's Drive, Building 300
Santa Fe, New Mexico 87505

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INTERESTED PARTY

Armstrong Energy Corporation

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

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

Gruy Petroleum Management, applicant in the above-styled cause, seeks an exception to Oil Conservation Division Rule 104.C.(2) to authorize an unorthodox gas well location for the Rhodes State Com Well No. 5 at a point 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 16, Township 26 South, Range 37 East, and authorization to simultaneously dedicate this well and its Rhodes State Com Wells 18 and 19 to a standard gas spacing unit comprised of the NW/4 of Section 16 in the Rhodes-Yates-Seven Rivers Gas Pool. Gruy Petroleum Management, applicant in the above-styled cause, also seeks an exception to Oil Conservation Division Rule 104.C.(2) to authorize an unorthodox gas well location for the Rhodes Federal Unit Well No. 43 at a point 2310 feet from the South line and 990 feet from the West line (Unit L) of Section 4, Township 26 South, Range 37 East, and authorization to simultaneously dedicate this well and its Rhodes Federal Unit Wells 43 and 415 to a standard gas spacing unit comprised of the SW/4 of Section 4 in the Rhodes-Yates-Seven Rivers Gas Pool.

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.)

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Zeno Farris	20 Min.	Approximately 1
Greg Jessup, Petroleum Landman	20 Min.	Approximately 3
H.C. Lee, Geologist	1 hr.	Approximately 7

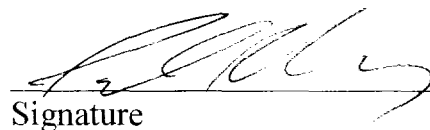
OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

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

Applicant is requesting that both cases be consolidated for the purposes of hearing.


Signature

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Amended Pre-Hearing Statement to be hand-delivered on this 1st day of September, 1998 to the following counsel of record:

Michael Condon, Esq.
Gallegos Law Firm
460 St. Michael's Drive, Building 300
Santa Fe, New Mexico 87505

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


Paul R. Owen