

**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 TEXACO EXPLORATION
AND PRODUCTION INC. FOR COMPULSORY
POOLING, AN UNORTHODOX GAS WELL
LOCATION AND NON-STANDARD SPACING
AND PRORATION UNITS,
EDDY COUNTY, NEW MEXICO.

CASE NO. 12051

OIL CONSERVATION DIV.
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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

Texaco Exploration & Production Inc.
c/o David Sleeper
Post Office Box 2100
Denver, CO 80201
(303) 793-4512
name, address, phone and
contact person

ATTORNEY

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

INTERESTED PARTY

Matador Petroleum Corporation

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

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

Texaco Exploration & Production Inc., applicant in the above-captioned case seeks an order pooling all mineral interests in the Upper Pennsylvanian formation and Morrow formation, Catclaw Draw-Morrow Gas Pool, underlying the following described acreage in irregular Section 1, Township 21 South, Range 25 East, in the following manner: Lots 11 through 14 and 17 through 28 to form a 555.74-acre non-standard gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within that vertical extent and, Lots 11 through 14 and Lots 19 through 22 to form a 288.19-acre non-standard spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent. The units are to be dedicated to the proposed Rocky Arroyo Federal Com Well No. 1 which is proposed at an unorthodox location 3200 feet from the North line and 660 feet from the West line (Unit L) of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well.

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

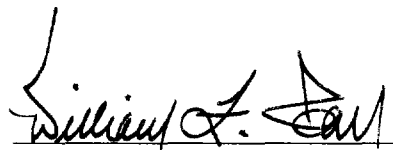
APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
David Sleeper, Land	15 Min.	Approximately 7
David Uhl, Geology	15 Min.	Approximately 4
Kevin Bittel, Engineering	15 Min.	Approximately 3

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

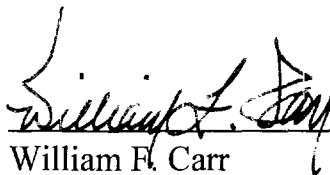
(Please identify any procedural matters which need to be resolved prior to hearing)


Signature

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing Pre-Hearing Statement to be mailed on this 25th day of November, 1998 to the following counsel of record:

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265



William F. Carr