

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

CASE NO. 12589

**APPLICATION OF H. L. BROWN, JR. FOR  
FOR COMPULSORY POOLING, A NON-STANDARD  
OIL SPACING AND PRORATION UNIT AND  
AN UNORTHODOX WELL LOCATION,  
ROOSEVELT COUNTY, NEW MEXICO**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by H. L. BROWN, JR. as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

**ATTORNEY**

H. L. Brown Jr.  
P. O. Box 2237  
Midland, Texas 79702  
(915) 683-5216  
attn: Q. Peter Courtney

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**STATEMENT OF THE CASE**

1. H. L. Brown, Jr. has a working interest ownership in the oil and gas minerals from the surface to the base of the Devonian formation underlying the NE/4 of Section 8, T7S, R36E, NMPM, Roosevelt County, New Mexico.

2. The well is to be drilled at an unorthodox well location 1400 feet from the east line and 1550 feet from the north line of Unit G) Section 8 for the primary purpose of testing the Devonian formation.

3. The tract is located more than one mile from any production and is not subject to any special pool rules.

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4. The well is proposed to be located 230 feet from the north boundary and 80 feet from the east boundary of Unit G (SW/4NE/4 of Section 8).

5. Based upon 2-D seismic analysis, H. L. Brown, Jr. has identified the probability of a Devonian formation structural feature the approximate center of which underlies the intersection of the 40-acre quarter-quarter sections within the NE/4 of Section 8.

6. Because of this unusual circumstance, the optimum geologic location for this well is in Unit G but encroaching towards the north and east quarter-quarter sections. It is necessary to drill the subject well at its proposed unorthodox well location in order to prevent waste.

7. The proposed location is necessary in order to have the optimum location at which to drill this well in order to use a single wellbore to test the Devonian formation within this structural feature.

8. It is reasonable to expect that if this well is capable of production in the Devonian formation, it may be the only well necessary in order to adequately and efficiently develop this formation within this structural feature.

9. This structural feature is very risky and cannot be justified by drilling a well at a standard well location.

10. In order to protect correlative rights, H. L. Brown, Jr. proposes the Division approve a non-standard 160-acre oil proration and spacing unit and enter an appropriate compulsory pooling order in which all of the working interest, royalty interest, overriding royalty interest owners and unleased mineral owners in the NE/4 of this section participate in this well.

11. H. L. Brown, Jr. is of the opinion that the only available regulatory mechanism which protects correlative rights in these circumstances is the Division's approval of a non-standard 160-acre oil spacing and proration unit.

12. The approval of the proposed non-standard 160-acre oil proration and spacing unit will afford the opportunity to share production from the well among the owners in all four governmental quarter-quarter sections and thereby avoid the impairment of correlative rights which will occur if Unit A, B and H are excluded and are subject to potential drainage by the well.

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13. H. L. Brown, Jr. has 100% of the working interest in the S/2NE/4 and also has the voluntary agreement of certain interest owners of the oil & gas minerals from the surface to the base of the Devonian formation underlying the N/2NE/4 of this section.

14. H. L. Brown, Jr. despite its good faith effort, has been unable to obtain the voluntary agreement the remaining 11.346 percent of the mineral interest owners in the N/2NE/4 of this proposed spacing unit.

15. 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, H. L. Brown, Jr. needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

16. In the unlikely event that this well is classified as a gas well for any formation spaced upon 160-acre gas spacing, then H. L. Brown, Jr. requests that any compulsory pooling order entered in this case also include such gas spacing units.

### PROPOSED EVIDENCE

#### APPLICANT:

#### WITNESSES

#### EST. TIME EXHIBITS

Q. Peter Courtney (landman)

20 min.

@ 6 exhibits

W. C. Robinson (geology)

30 Min.


@ 1 exhibits

### PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN

By:

  
W. Thomas Kellahin