

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

IN THE MATTER OF THE HEARING CALLED
CALLED BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF GRUY PETROLEUM
MANAGEMENT CO. AND WADI PETROLEUM,
INC. TO AMEND THE SPECIAL RULES
AND REGULATIONS FOR THE WHITE
CITY-PENNSYLVANIAN GAS POOL, OR
IN THE ALTERNATIVE FOR APPROVAL
OF FOUR UNORTHODOX INFILL GAS WELL
LOCATIONS, TWO UNORTHODOX GAS WELL
LOCATIONS, AND ONE INFILL GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

No. 12873

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Gruy Petroleum Management Co.
P.O. Box 140907
Irving, Texas 75014

Attention: Zeno Farris

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

Applicants seek an order amending the Special Rules and Regulations for the White City-Pennsylvanian Gas Pool to provide for the option to drill one well on each quarter section within a standard 640 gas spacing unit and for the setback requirement for wells be relaxed such that wells can be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary. The pool covers all of Sections 8, 9, 15-17, 19-22, and 26-35, Township 24 South, Range 26 East, N.M.P.M., Sections 14 and 10-14, Township 25 South, Range 26 East, N.M.P.M., and Section 7, Township 25 South, Range 27 East, N.M.P.M.

In the alternative, applicants seek approval of four unorthodox infill gas well locations, two unorthodox gas well locations, and one infill gas well location for wells to be located in Sections 9, 15, 16, and 22, Township 24 South, Range 26 East, N.M.P.M.

The application is also being supported by Murchison Oil & Gas, Inc.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
_____ (geologist)	20 min.	six
_____ (engineer)	20 min.	six
Michael Daugherty (engineer)	25 Min.	ten

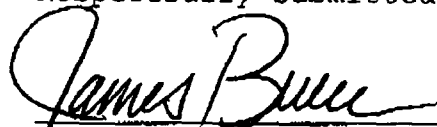
OPPONENT

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

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Applicants