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February 26, 1991

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

10270

Re: In the Matter of the Application of ORYX Energy Company for Compulsory
Pooling and an Unorthodox Location, Eddy County, New Mexico

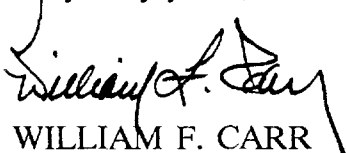
Dear Mr. LeMay:

On behalf of ORYX Energy Company, we would appreciate you setting the enclosed application for a public hearing on the Division's Examiner docket now scheduled for March 21, 1991.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to file a pre-hearing statement with the Division and send a copy to the undersigned no later than 4:00 PM on March 15, 1991.

In addition, these potential parties are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosure:

Mr. Charles A. Gray
ORYX Energy Company
Post Office Box 2880
Dallas, Texas 75221-2880

RECEIVED

FEB 26 1991

OIL CONSERVATION DIV.
SANTA FE

**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:

CASE NO. 10270

APPLICATION OF ORYX ENERGY COMPANY
FOR COMPULSORY POOLING, NON-
STANDARD GAS PRORATION UNIT,
AND AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

RECEIVED

MAR 12 1991

OIL CONSERVATION DIV.
SANTA FE

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ORYX Energy Company _____
c/o Charles A. Gray _____
Post Office Box 2880 _____
Dallas, Texas 75221-2880 _____

(214) 890-6529 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr _____
Campbell & Black, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

ORYX Energy Company, applicant, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 3 and 4, the E/2 SW/4 and SE/4 (S/2 equivalent) of Section 19, Township 18 South, Range 28 East, to form a non-standard 326.81-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Red Lake Atoka-Morrow Gas Pool and Undesignated North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the South and East lines (Unit P) of said Section 19. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

OPPOSITION OR 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

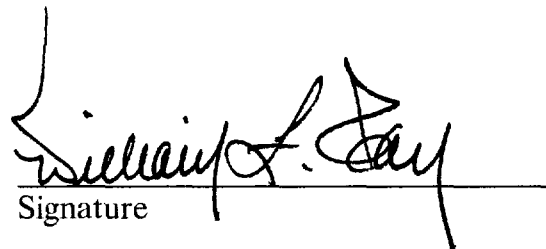
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Shelly Lane, Geologist	15 min.	Approximately 5
Alan Beers, (Landman)	10 Min.	Approximately 4

OPPOSITION

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

None


Signature

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 27, 1991

CAMBELL & BLACK
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10270
ORDER NO. R-9479

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office