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OIL CONSERVATION DIV.
SANTA FE

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

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

APPLICATION OF CONOCO INC. FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

CASE NO. 10560

APPLICATION OF SOUTHWEST ROYALTIES,
INC. FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

CASE NO. 10471

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

CONOCO INC.
10 Desta Drive West
Midland, TX 79702
ATTN: Jerry Hoover

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Southwest Royalties, Inc.
407 North Big Spring
Midland, Texas 79701
Attn: Mr. Jon Tate

ATTORNEY

Paul Cooter, Esq
P. O. Box 1357
Santa Fe, New Mexico 87501
(505) 984-0100

STATEMENT OF CASE

APPLICANT

On May 6, 1992, the Division issued Order R-9673 which pooled Conoco's interest in the NE/4 of Section 17 for the drilling of a well specifically ordered to be drilled in the SW/4NE/4 of Section 17.

On July 17, 1992, in violation of Order R-9673 and without notice to Conoco, Inc, Southwest Royalties commenced the well in the wrong quarter-quarter section, the NW/4NE/4 of Section 17.

On August 17, 1992, the Division Director issued its decision advising Southwest Royalties that Order R-9673 was void.

On August 13, 1992, Conoco, Inc. proposed to Southwest Royalties that Conoco be designated as operator of the well, that Conoco participate in the well and pay its share of reasonable actual costs of the well.

Southwest Royalties has refused to enter into voluntarily discussions with Conoco concerning the well located in the NW/4NE/4 of Section 17.

Southwest Royalties filed its application in Case 10471 (reopened) prior to making any effort to reach a voluntarily agreement with Conoco concerning the well now located in the NW/4NE/4 of Section 17.

Conoco has been unable to reach voluntary agreement and now seeks a compulsory pooling order.

OPPOSITION OR OTHER PARTY

SEE OPPOSITION FILING

Pre-Hearing Statement
Case No. 10560 and 10471 (Reopened)
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PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
David Scott Landman	30-45 min.	Approx. 17
Bill Hardie Geologist	45 min.	Approx. 4
Brian Ary Petroleum Engineer	45 min.	Approx. 9


OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
SEE OPPOSITION FILING		

PROCEDURAL MATTERS

None at this time.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR CONOCO INC.

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 CONOCO INC. FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

CASE NO. 10560

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Southwest Royalties, Inc.

APPEARANCE OF PARTIES

OPPOSITION OR OTHER PARTY

Southwest Royalties, Inc.
P.O. Box 11390
Midland, Texas 79702-8390

ATTORNEY

Paul A. Cooter
Rodey, Dickason, Sloan, Akin & Robb, P.A.
Post Office Box 1357
Santa Fe, New Mexico 87504-1357
Tel. 505/984-0100

STATEMENT OF THE CASE

OPPOSITION OR OTHER PARTY

Southwest Royalties, Inc., believes that the NE/4 of Section 17, Township 19 South, Range 25 East NMPM, Eddy County, New Mexico is subject to the Oil Conservation Division's Order Number R-9673 dated May 6, 1992, and that a well was timely commenced and properly drilled at a lawful location approved by the Oil Conservation Division at a standard location within the proration unit, and thereafter drilled to its total depth and cased. That well is awaiting completing at this time. Conoco's Application, therefore, is duplicitious and covers the same land already subject to a compulsory pooling order, wherein Southwest Royalties, Inc. was named operator.

PROPOSED EVIDENCE

OPPOSITION OR OTHER PARTY

WITNESS

Richard Masterson

EST. TIME

15 minutes

EXHIBITS

None known at this time

PROCEDURAL MATTERS

Southwest Royalties, Inc. received a subpoena duces tecum issued at the request of W. Thomas Kellahin, Attorney for Conoco, Inc., and in response thereto, Southwest Royalties, Inc. has filed its Motion to Quash the same.

Respectfully submitted:

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By: 

Paul A. Cooter
Post Office Box 1357
Santa Fe, New Mexico 87504-1357
Telephone: (505) 984-0100