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SEP 25 1992
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
COMMISSION FOR THE PURPOSE OF
CONSIDERING: Application of Siete
Oil & Gas Corporation For a GOR
Limitation Determination, Eddy
County, New Mexico

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SEP 25 1992
OIL CONSERVATION DIV.
SANTA FE

CASE NO. 10562

PRE-HEARING STATEMENT

This prehearing statement is submitted by Ernest L. Padilla, Esq. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Siete Oil & Gas Corporation
Post Office Box 2523
Roswell, New Mexico 88202
(505) 622-2202

ATTORNEY

Ernest L. Padilla
PADILLA & SNYDER
Post Office Box 2523
Santa Fe, N. M. 87504
(505) 988-7577

OPPOSITION OR OTHER PARTY

ATTORNEY

Other operators in the area will appear in support of the application.

STATEMENT OF CASE

APPLICANT

(Concise statement of what is being sought with this application and the reasons therefore.)

Applicant requests a GOR increase from 2000-1 to 5000-1 based on reservoir characteristics of the Parkway Delaware Pool.

OPPOSITION OR OTHER PARTY

(Concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Unknown at this time.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Bruce Ufzynski, Geologist	15-20 Min.	3 Crossections 2 Structure Maps
Robert Lee, Petroleum Engineer	30 Min.	Production Curve Production Data
Danny Wilson, Reservoir Engineer	30 Min.	Reservoir Data Simulator Production Graphs of Production Rates


OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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Not known at this time; but undersigned counsel is informed that other interested parties will support the application. Whether or not such other parties will offer evidence is unknown.

PROCEDURAL MATTERS

(Identify any procedural matters which need to be resolved prior to the hearing.)


Ernest L. Padilla

Hearing Date: October 1, 1992

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

FACSIMILE: (505) 988-7592

TELEPHONE: (505) 988-7577

FAX TRANSMITTAL COVERSHEET

10562

Date:

Sept 9, 1992

To:

Michael Stogner

Oil Conservation Division

From:

ERNEST L. PADILLA

Fax No.

827-5741

Re:

Pages Transmitted Including Coversheet

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

APPLICATION OF SIETE OIL & GAS
CORPORATION FOR A GOR
LIMITATION DETERMINATION,
EDDY COUNTY, NEW MEXICO

No. 10562

APPLICATION

Applicant states:

1. That applicant operates the oil and gas wells in the Parkway Delaware Pool (Pool), in Eddy County, New Mexico.

2. That the Pool is currently operated upon a GOR limitation in accordance with Rule 506 (a) of the Division's Rules and Regulations because no other GOR limitation has been established for the Pool.

3. That Applicant's well and other wells it operates in the Pool, are capable of producing, without waste, at a GOR greater than 2000:1 as set by Rule 506(a).

4. ~~That a GOR limitation has been established for the Pool.~~

~~Applicant requests that the GOR limitation be established for the Pool.~~

5. That approval of this application would be in the best interests of oil and gas conservation.

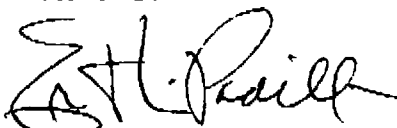
WHEREFORE, this Applicant requests that this application be set for hearing at the next available hearing of the Division; that this application be approved; and for

such further and proper relief as the Division deems
necessary.

Respectfully submitted,

PADILLA & SNYDER

By:

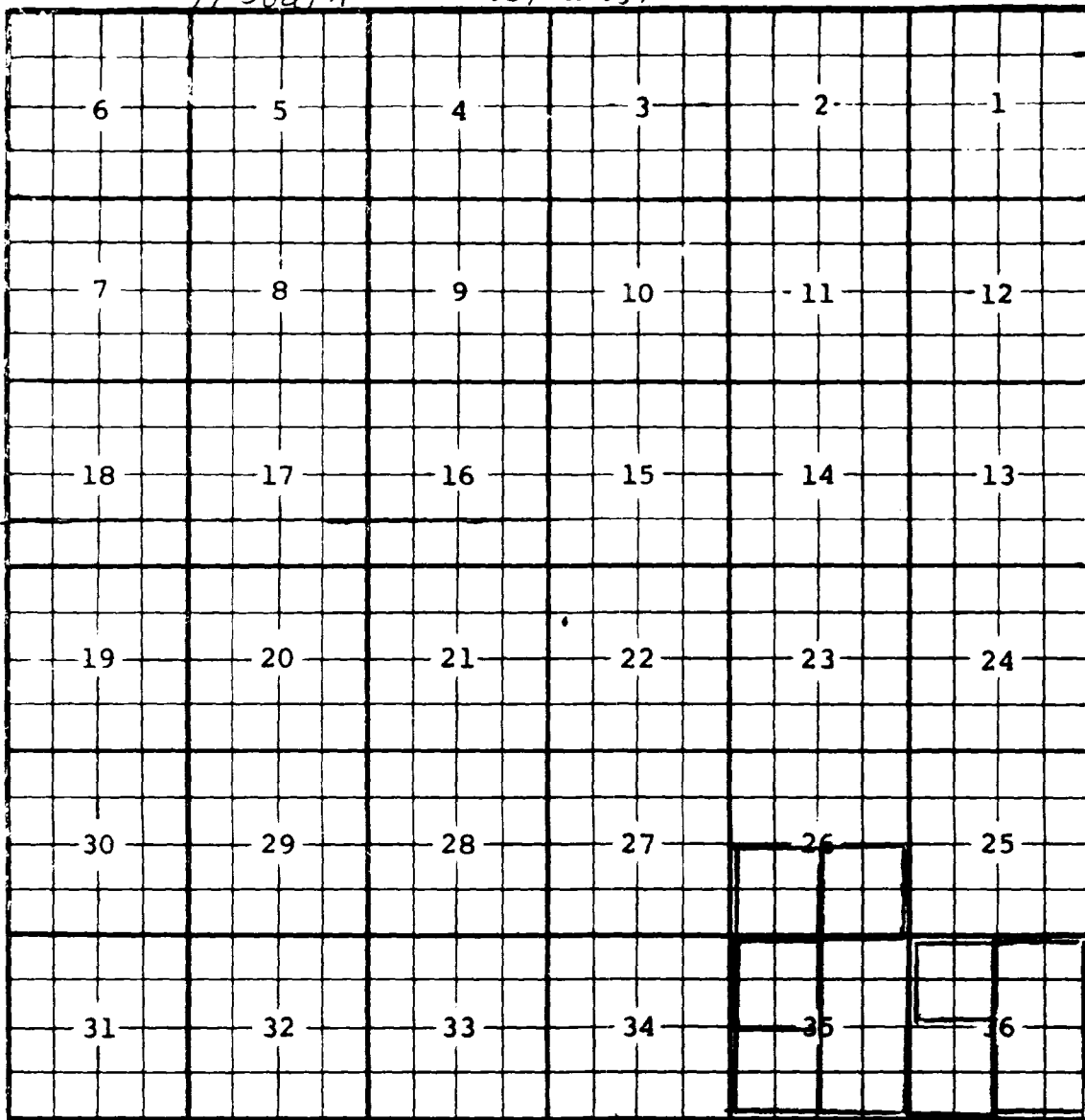


ERNEST L. PADILLA
P. O. Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577

Attorneys for Applicant

COUNTY Eddy POOL Parkway-Delaware

TOWNSHIP 19 South RANGE 29 East NMPM



Description: NW/4 Sec. 36 (R-8455, 6-15-87) EXT: E/2 SEC 35
(R-8827, 12-22-88) EXT: SW/4 SEC 35 (R-8847, 1-10-89)
EXT: NW/4 sec 35 (R-8945, 5-31-89) EXT: SW/4 sec 36 (R-8969, 8-1-89)
EXT: SE/4 sec 26, E/2 sec 36 (R-9096, 1-1-90) EXT: SW/4 SEC 26 (R-9171, 6-1-90)

County E00Y

Pool PARKWAY-DELAWARE

TOWNSHIP 19S, RANGE 30 East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	16	15	14	13
19	20	21	22	23	24
29	28	27	26	25	24
31	32	33	34	35	36

EXT: SW/4 SEC31 (R-9096, 1-1-90)

County EDDY

Pool PARKWAY - DELAWARE

TOWNSHIP 20 SOUTH

Range 29 EAST

NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

EXT: NE 1/4 SEC 2 (R-9473, 4-1-91)

County Eddy Pool Parkway - Delaware

TOWNSHIP 20 South Range 30 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

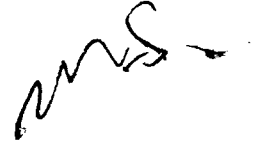
Ext: NW 1/4 Sec. 6 (R-9625, 1-15-92)

MERIDIAN OIL

OIL CONSERVATION DIVISION
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1992 OCT 1 PM 4 02
September 30, 1992

Michael E. Stogner
Hearing Examiner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501



Re: Oil Conservation Division
Case No. 10562
Application of Siete Oil & Gas
GOR Exception

Dear Mr. Stogner:

Meridian Oil Inc. supports the application of Siete Oil & Gas Corporation in the above referenced case. Meridian operates oil wells in the Parkway Delaware Pool and believes that the reservoir characteristics of the pool suggest that higher GOR rates will provide optimum producing rates. We are of the opinion that higher GOR rates will not result in waste.

Sincerely,
Meridian Oil Inc.



D. W. Rader
Engineering Manager

MPG:nak
xc: correspondence file

MERIDIAN OIL

September 30, 1992

MS

Michael E. Stogner
Hearing Examiner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Oil Conservation Division
Case No. 10562
Application of Siete Oil & Gas
GOR Exception

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Sincerely,
Meridian Oil Inc.

D. W. Rader

D. W. Rader
Engineering Manager

MPG:nak
xc: correspondence file

MERIDIAN OIL INC.
P. O. BOX 51810
MIDLAND, TEXAS 79710-1810
(915) 688-6800

TO: M.E. STOGNER

DATE: 9/30/92

FROM: M.P. GADDIS

TELEPHONE #: 915-688-6850

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