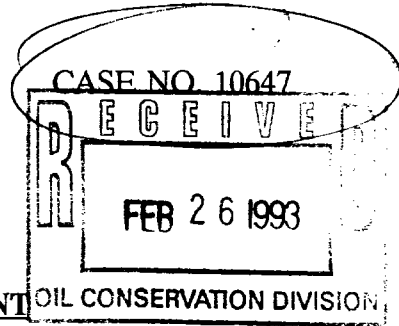


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

APPLICATION OF SEELY OIL COMPANY
FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.



PRE-HEARING STATEMENT OIL CONSERVATION DIVISION

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

APPEARANCES OF PARTIES

APPLICANT

Seely Oil Company _____
c/o Clarence W. Stumhoffer _____
Post Office Box 100416 _____
Fort Worth, Texas 76185 _____
(817) 731-6381 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr _____
Campbell, Carr, Berge & Sheridan, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

BTA Oil Producers _____
and _____
Ray Westall Operating, Inc. _____

name, address, phone and
contact person

ATTORNEY

W. Thomas Kellahin, Esq. _____
Kellahin & Kellahin _____
Post Office Box 2265 _____
Santa Fe, New Mexico 87504-2265 _____
(505) 982-4285 _____

STATEMENT OF CASE

APPLICANT

Seely Oil Company, applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement.

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
Clarence W. Stumhoffer, Petroleum Engineer	20 Min.	Approximately 15

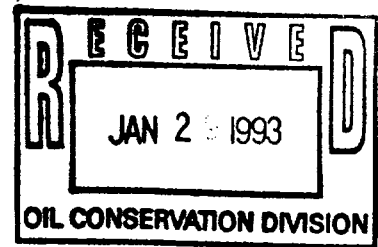
OPPOSITION

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



Signature



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: The Application of
Seely Oil Company

CASE NO. 10647 and
CASE NO. 10648

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Seely Oil Company

ATTORNEY

William F. Carr
CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
Post Office Box 2208
Santa Fe, N.M. 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

Santa Fe Exploration Company
Post Office Box 1136
Roswell, New Mexico 88202

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

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

Application of Seely Oil Company for statutory unitization, and a waterflood project, Lea County, New Mexico.

OPPOSITION OR OTHER PARTY

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

At this time Santa Fe Exploration Company has not formulated its opposition principally due to the fact that Seely Oil Company and Santa Fe Exploration have been negotiating Seely's purchase of the Santa Fe interests in the unit. Due to Seely's representations, Santa Fe Exploration realistically believed that its interests would be bought by Seely since Santa Fe Exploration has had no interest in participating in the unit or assuming costs incurred in association with Seely's associated waterflood project.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Unknown at this time.		

OPPOSITION

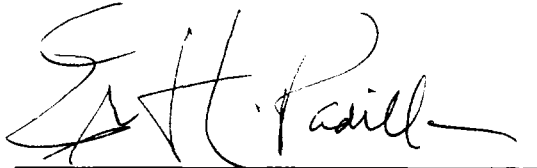
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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Unknown at this time, but Santa Fe Exploration will probably call a petroleum engineer.

PROCEDURAL MATTERS

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

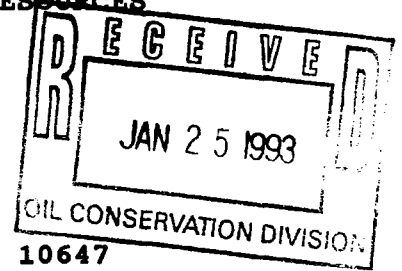
We have assumed that Cases 10647 and 10648 will be consolidated for hearing and would have no objection thereto.


Ernest L. Padilla

Hearing Date: February 4, 1993

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

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



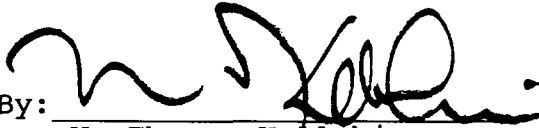
CASE NO. 10647

THE APPLICATION OF SEELY OIL
COMPANY FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO

ENTRY OF APPEARANCE

COMES NOW, W. THOMAS KELLAHIN of Kellahin and Kellahin,
and enters the firm's appearance on behalf of BTA OIL
PRODUCERS, INC. in the above captioned matter.

KELLAHIN and KELLAHIN

By: 
W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR MARATHON OIL CO.
RAY WESTALL OPERATING INC. &
BTA OIL PRODUCERS, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the
foregoing Entry of Appearance was sent by U.S. Mail, postage
pre-paid to William F. Carr, Esq. of Campbell, Carr, Berge
and Sheridan, P.O. Box 2208, Santa Fe, New Mexico 87504 and
hand-delivered to William J. LeMay, Oil Conservation
Division, 310 Old Santa Fe Trail, Room 219, Santa Fe, NM
87501 on this 25TH day of January, 1993.


W. Thomas Kellahin

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

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

CASE NO. 10647

THE APPLICATION OF SEELY OIL
COMPANY FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO

ENTRY OF APPEARANCE

COMES NOW, W. THOMAS KELLAHIN of Kellahin and
Kellahin, and enters the firm's appearance on behalf of
MARATHON OIL COMPANY in the above captioned matter.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
ATTORNEYS FOR MARATHON OIL
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of
the foregoing Entry of Appearance was sent by U.S.
Mail, postage pre-paid and by facsimile transmission to
William F. Carr, Esq. (Fax No. 505/983-6043) of
Campbell, Carr, Berge and Sheridan, P.O. Box 2208,
Santa Fe, New Mexico 87504 and to William J. LeMay,
(Fax No. 505/827-5741) Oil Conservation Division, 310
Old Santa Fe Trail, P.O. Box 2088, Santa Fe, NM 87504
on this 16 day of December, 1992.


W. Thomas Kellahin