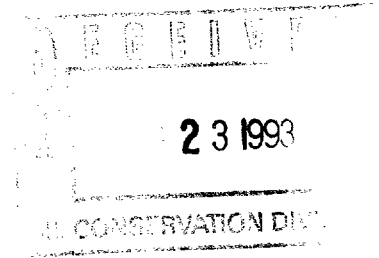


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

CASE NO. 10804

APPLICATION OF COLLINS &
WARE, INC., FOR SPECIAL POOL
RULES, EDDY COUNTY,
NEW MEXICO.



PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Collins & Ware, Inc.
303 W. Wall, Suite 2200
Midland, Texas 79701
Attn: C. M. Guerry
(915) 687-3435

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, 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

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Collins & Ware seeks the promulgation of special pool rules for the Happy Valley-Delaware Pool, located in the NE/4 NW/4 of Section 33, Township 22 South, Range 26 East, including a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and a special oil allowable of 160 barrels per day.

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

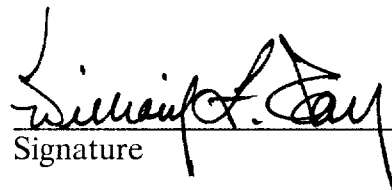
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Curtis A. Anderson, Geologist	15 Min.	Approximately 4
Rex Howell, Petroleum Engineer	15 Min.	Approximately 3

OPPOSITION

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

(Please identify any procedural matters which
need to be resolved prior to hearing)



Signature

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ
TANYA M. TRUJILLO

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

August 3, 1993

HAND-DELIVERED

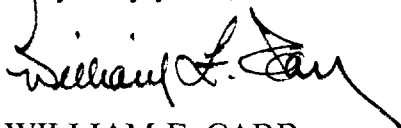
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Collins & Ware, Inc. for Special Pool Rules for the Happy
Valley-Delaware Pool, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Collins & Ware, Inc., in the above-referenced case as well as a draft of a legal advertisement for this matter. Collins & Ware, Inc. respectfully request that this case be placed on the docket for the August 26, 1993 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Jim Orseth (w/enclosures)

FILED
- 3 1993

10804

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

IN THE MATTER OF THE APPLICATION
OF COLLINS & WARE, INC.,
FOR SPECIAL POOL RULES FOR THE
HAPPY VALLEY-DELAWARE POOL,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10804

APPLICATION

COLLINS & WARE, INC., through its undersigned attorneys, makes application to the Oil Conservation Division for promulgation of Special Pool Rules and Regulations for the Happy Valley-Delaware Pool, including a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil produced and a special oil allowable of 160 barrels of oil per day in support thereof states:

1. Applicant is the operator of the Sheep Draw Well No. 2 and Sheep Draw Well No. 3 which are located in the Happy Valley-Delaware Pool or within one mile thereof.
2. The Happy Valley-Delaware Pool was created by Oil Conservation Division Order No. R-9837, dated February 1, 1993 which includes the following described acreage:

Township 22 South, Range 26 East, N.M.P.M.

Section 33: NE/4 NW/4

3. The wells in this pool are produced under statewide rules which limit production to 80 bbls of oil per day and a gas-oil ratio of 2000 cubic feet of gas per barrel of oil produced.

4. Operating this pool under current rules is not depleting the reservoir in an efficient and timely manner.

5. Applicant seeks the promulgation of Special Rules and Regulations for this pool which will increase the limiting gas-oil ratio to 10,000 cubic feet of gas per barrel of oil produced and a special oil allowable of 160 barrels of oil per day.

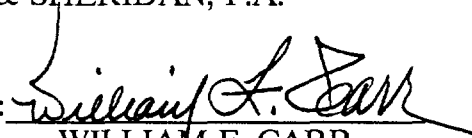
6. Approval of this application will protect the correlative rights of each operator in this pool by affording each the opportunity to produce its just and equitable share of gas and oil from this pool, will prevent the waste of hydrocarbons and is otherwise in the best interest of conservation.

WHEREFORE, Collins & Ware, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on August 26, 1993, and after notice and hearing as required by law, the Division enter its Order approving this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:

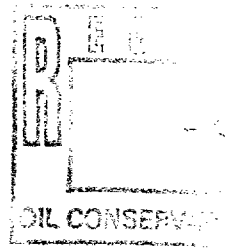

WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR COLLINS & WARE, INC.

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF COLLINS & WARE, INC.,
FOR SPECIAL POOL RULES FOR THE
HAPPY VALLEY-DELAWARE POOL,
EDDY COUNTY, NEW MEXICO.



CASE NO. 10804

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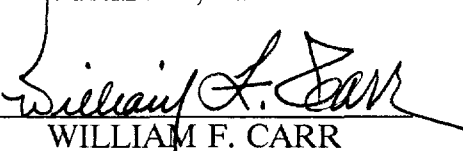
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Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR COLLINS & WARE, INC.

CASE 10804:

Application of Collins & Ware, Inc. for special pool rules, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for the Happy Valley-Delaware Pool, located in the NE/4 NW/4 of Section 33, Township 22 South, Range 26 East, including a provision for a gas-oil limitation of 10,000 cubic feet of gas per barrel of oil and a special oil allowable of 160 barrels per day. Said area is located approximately _____ miles _____ of _____, New Mexico.

RECEIVED
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