

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:

DEC 8 1964

CASE NO. 10,830 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF DIVISION ORDER NO. R-10026

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Exxon Corporation
as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Conoco Inc.

ATTORNEY

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

OTHER PARTY

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702
(915) 688-6174
Attention: William T. Duncan, Jr.

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

STATEMENT OF CASE

APPLICANT

OTHER PARTY

Exxon supports making the GOR of 6000:1 in the Paddock Pool permanent, provided it is applied on a pool-wide basis.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
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OTHER PARTY

WITNESSES	EST. TIME	EXHIBITS
William T. Duncan, Jr.	10 minutes	Approximately five

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY




James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Exxon Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was mailed to W. Thomas Kellahin, Esq., Kellahin & Kellahin, Post Office Box 2265, Santa Fe, New Mexico 87504-2265, this 7th day of December, 1994, by first-class mail, postage prepaid.



James Bruce

**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. 10830 (Reopened)

IN THE MATTER OF CASE 10830 BEING
REOPENED PURSUANT TO ORDER R-10026
TO CONSIDER THE SPECIAL LIMITING GAS
OIL RATIO FOR THE PADDOCK POOL,
LEA COUNTY, NEW MEXICO.

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, Texas 79705-4500
Attn: Jerry Hoover
(915) 686-6548

ATTORNEY

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OTHER PARTY

Exxon Corporation

ATTORNEY

James Bruce, Esq.
Hinkle Law Firm
P. O. Box 2068
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STATEMENT OF CASE

APPLICANT:

Conoco operates Paddock Pool wells in a project area defined as the Lockhart "A" Lease, consisting of the N/2 of Section 27, T21S, R37E, NMPM, Lea County, New Mexico.

Conoco supports the continuation of the Special 6000 to 1 GOR for the Paddock Pool and requests that this rule be made permanent.

The Paddock Pool is a mature solution gas drive reservoir with no evidence of an extensive gas cap, water influx or formation compaction.

Conoco will submit production graphs from 6 of its wells in this pool which demonstrate that the 6000 to 1 GOR is not causing waste, but to the contrary, has increased recovery of oil and gas from the pool and has been an incentive for additional development and remedial activities.

Conoco will demonstrate that making the 6000 to 1 GOR permanent will:

- (1) maximize the opportunity to recover the remaining hydrocarbons in a portion of the pool in which the offsetting units appear to be substantially depleted; and
- (2) will provide an adequate producing rate which allow its wells to remain economic.

Conoco will demonstrate that no waste will occur because:

- (1) data indicates that at the 6000 to 1 GOR rate, ultimate recovery is not a function of the cumulative gas-oil ratio, and
- (2) returning to the statewide 2000 to 1 GOR limit would cause inefficient oil recovery for the Conoco operated wells in the Pool.

Conoco will demonstrate that no correlative rights will be violated because:

- (1) all operators in the pool have been afforded the opportunity to participate in the temporary special GOR;
- (2) offset operators have already produced their share of the reservoir recoverable from their tracts and have mature wells which are substantially depleted;
- (3) estimates of drainage areas affected by wells benefitting from the increased GOR will not "drain" offsetting tracts; and
- (4) gas withdrawals from the reservoir in excess of the 6000 to 1 GOR are already taking place.

PROPOSED EVIDENCE

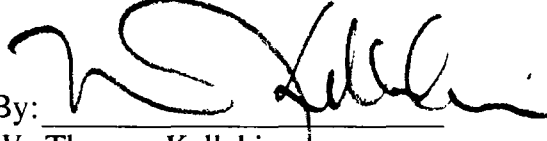
APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Mark McClelland (P.E.)	45-60 Min.	est. 15 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
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