

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 Naumann Oil and Gas, Inc. for
Compulsory Pooling, Unorthodox Gas Well Location, and
Non-Standard Gas Proration and Spacing Unit, Eddy
County, New Mexico

CASE NO. 10979

PRE-HEARING STATEMENT
and ENTRY OF APPEARANCE

This pre-hearing statement is submitted by Clydine K. Wylie as required by the
Oil Conservation Division.

APPEARANCE OF PARTIES

Karen Aubrey, Attorney at Law, hereby enters her appearance on behalf of
Clydine K. Wylie.

STATEMENT OF CASE

OPPOSITION OR OTHER PARTY

As shown by the attached deed, Clydine K. Wylie, Constancio A. Lara and
Josephina Lara Burciaga are owners of record of Lot 9, San Jose Amended
Subdivision in the W/2 Section 7, Township 22 South, Range 27 East, Eddy County
New Mexico. Applicant has made no attempt to secure voluntary participation if
Constancio A. Lara or Josephina Lara Burciaga; nor was notice of hearing given to
them.

PROPOSED EVIDENCE

OPPOSITION: None

WITNESSES

EST. TIME

EXHIBITS

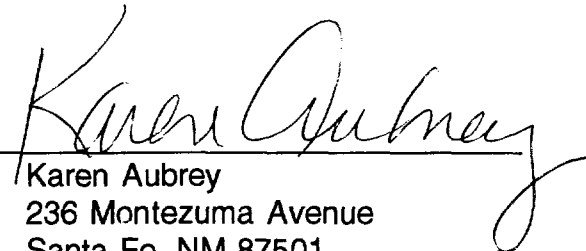
None

PROCEDURAL MATTERS

Applicant has failed to notify all working interest owners.

LAW OFFICES OF KAREN AUBREY

By: _____


Karen Aubrey
236 Montezuma Avenue
Santa Fe, NM 87501
(505)982-4287 FAX (505)986-8349

GRANT DEED

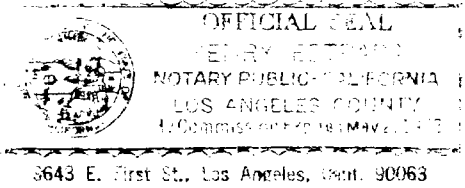
FOR CONSIDERATION which is hereby acknowledged, I,
JOSEFINA LARA do hereby grant to CLYDINE K. LARA, residing at 1810
Elmwood Avenue, Pomona, California, 91766 and to CONSTANCIO A. LARA,
residing at 4231 Fisher Street, Los Angeles, California, 90063 as
JOINT TENNANTS WITH RIGHT OF SURVIVOR SHIP real property located
within the state of New Mexico and described as LOT 9 San Jose
as platted and filed in the Office of the County Recorder of Eddy
County, 55 feet wide and 284.25 feet long and found in Book 77 at
Page 281; AND I do hereby reserve unto JOSEFINA LARA BURCIAGA
a LIEF ESTATE in the property heretofore described.

DATED April 18, 1973

- Josefina Lara
1810 Elmwood, Pomona, Ca

ON April 18th 1973 before me, a NOTARY PUBLIC in
and for the State of California, personally appeared
JOSEFINA LARA known to me to be the person whose
name is subscribed to within this instrument and I do acknowledge
that she did execute this GRANT
DEED before me and in my presence.

WITNESS MY HAND AND OFFICIAL SEAL.

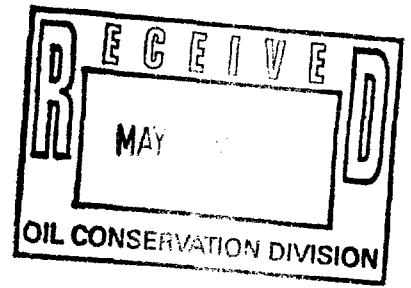


[Signature]

Mail tax statements to : JOSEFINA LARA BURCIAGIA, 1810 Elmwood Avenue
Pomona, California, 91766

STATE OF NEW MEXICO, County of Eddy, ss. I, _____, certify that
this instrument was filed for record on the 9 day of May
1973 at 1:15 o'clock P.M. and duly recorded in Book 214
Page 749 of the Records of Deeds

GERALDINE MAHAFFEY, County Clerk
By Mary R. [Signature] Deputy



**STATE OF NEW MEXICO
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OIL CONSERVATION DIVISION**

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

CASE NO. 10979

APPLICATION OF NAUMANN OIL & GAS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by NAUMANN OIL & GAS, INC., as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Naumann Oil & Gas, Inc.
c/o Logro Corp.
P. O. Box 261324
Plano, Texas 75026-1324
attn: David N. Frye
(214) 964-0608

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

This case involves the recompletion of an abandoned Morrow well which was originally drilled at an unorthodox well location for production from the Strawn formation. The proposed 320-acre gas spacing and proration unit is located in the City of Carlsbad and because of governmental surveys contains only 307.02 acres.

NAUMANN OIL & GAS, INC. seeks:

(1) an order pooling all mineral interests in the Strawn formation underlying the W/2 of Section 7, T22S, R27E, NMPM, Eddy County, New Mexico;

(2) including provisions for recovering from any non-consenting working interest owner not only the cost of recompletion but their proportionate share of the value of the existing wellbore including a risk factor penalty of 200 %;

(2) an unorthodox Strawn gas well location; and

(3) a 307.02 acre non-standard gas proration and spacing unit.

The Carlsbad "7" Well No. 1 was originally drilled by C & K Petroleum in accordance with Division Order R-5451 entered on July 5, 1997 in Case 5939 which order approved the unorthodox gas well location 760 feet FSL and 690 feet FWL of said Section 7 and the compulsory pooling of "all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 7, T22S, R27E, NMPM, South Carlsbad Field, Eddy County, New Mexico."

Naumann has acquired ownership of the wellbore known as the Carlsbad "7" Well No 1. which is a plugged and abandoned well formerly drilled to the Morrow formation. Naumann has a working interest ownership in the oil and gas minerals underlying the W/2 of Section 7.

On March 22, 1994, Naumann proposed the re-entry of the Carlsbad "7" Well No. 1 to all interest owners in the proposed spacing unit and invited each interest owner to participate on a voluntary basis by each paying his/her proportionate share of the value of the existing wellbore and the costs of to re-enter and complete of said well as a Strawn gas well.

All of the working interest ownership of the oil & gas minerals Strawn formation underlying W/2 of said Section 7 have voluntarily agreed to the formation of this spacing unit and to participation in this re-entry except for those parties identified and described on Exhibit "B" of the application.

In accordance with the Division's notice requirements, a summary of this application and notice of this hearing was sent to all appropriate parties.

PROPOSED EVIDENCE


APPLICANT:

WITNESSES		EST. TIME	EXHIBITS
David N. Frye	(landman)	30 min.	20 exhibits
Jack Naumann	(geologist)	30 Min.	4 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87501