

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:

JUN 3 1991

FOUR APPLICATIONS OF SANTA FE
ENERGY OPERATING PARTNERS, L.P.
FOR AN UNORTHODOX GAS WELL LOCATION
AND NON-STANDARD GAS PRORATION
UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 10977, 10987
10988 and 10989

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
POOL CONTRACTION AND EXPANSION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10986

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L.P.
550 W. Texas, Suite 1330
Midland, Texas 79701
(915) 687-3951
Attn: Gary Green

ATTORNEY

HINKLE, COX, EATON,
COFFIELD & HENSLEY
James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

In Case No. 10986, Santa Fe seeks to contract the Indian Basin-Upper Pennsylvanian Gas Pool ("the Gas Pool") by deleting therefrom Sections 4-8 (T22S, R24E) and Section 1 (T22S-R23E), and adding said acreage to the Indian Basin-Upper Pennsylvanian Associated Pool ("the Associated Pool"). The above acreage was once productive in the Gas Pool. However, recent completions on

Pre-Hearing Statement

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said acreage have been in the interval productive in the Associated Pool, and are oil wells. As a result, Santa Fe believes that additional wells in the area should be governed by the rules for the Associated Pool. The transfer of acreage to the Associated Pool will simplify approvals for additional wells planned in the area by Santa Fe and other operators.

In Case Nos. 10977, 10987, 10988 and 10989, Santa Fe seeks approval to drill four wells to test the interval producing in the Associated Pool, which is spaced on 320 acres. However, the wells are within the boundaries of the Gas Pool, and thus require approval for non-standard 320 acre (more or less) units. In addition, all locations are non-standard under the special rules for the Gas Pool, and Santa Fe requests approval of said locations, which are necessitated by both geological and topographical reasons.

NOTE: If the application in Case No. 10986 is approved, the locations and proration units in Case Nos. 10977 and 10987 are standard, and those two cases could then be dismissed. However, the locations and proration units in Case Nos. 10988 and 10989 are non-standard under the pool rules for the Associated Pool.

OPPOSITION OR OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
1. Gary Green (Landman)	10 minutes	(a) Land plat (b) Notice letters
2. Gene Davis (Geologist)	35 minutes	(a) structure map (b) Isopach (c) Cross-section (d) Well completion information

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OPPOSITION

WITNESSES

EST. TIME

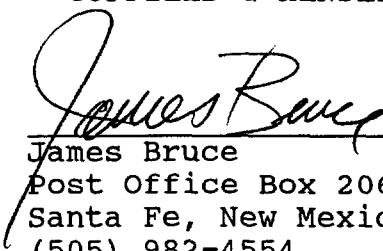
EXHIBITS

PROCEDURAL MATTERS

Santa Fe requests the five cases be consolidated for hearing.

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:


James Bruce

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Operating Partners, L.P.