

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. 99514

APPLICATION OF

PENNZOIL EXPLORATION & PRODUCTION COMPANY
for an Unorthodox oil well location
Northeast Lovington Penn Pool
Lea County New Mexico

PRE-HEARING STATEMENT

This prehearing statement is submitted by W. Thomas Kellahin
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Pennzoil Exploration
P. O. Box 2967
Houston, Texas 77252

att: Mr. Lonnie Whitfield
(713) 546-4000

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

None

name, address, phone and
contact person

ATTORNEY

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

(505) 982-4285

ATTORNEY

STATEMENT OF CASE

APPLICANT

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

Applicant seeks an unorthodox oil well location within an 80-acre spacing unit in the Northeast Lovington Penn Pool at a location 2310 FSL and 900 FWL of Section 16, T16S,R37E NMPM, Lea County

For geologic reasons, applicant seeks a location which will optimize the opportunity to develop and produce the oil reserves in the spacing unit.

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.)

No opposition. The unorthodox oil well location encroaches towards acreage in the same section operated by applicant.

PROPOSED EVIDENCE

APPLICANT

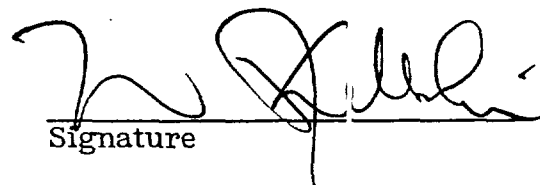
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
H. W. Hollingshead, Jr. (geologist)	15-20Min.	Index map ispoach of Strawn limestone
L. L. Whitfield (landman)	5 min.	Notice and offset operators and owners.

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS

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


Signature