

**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. 10254

IN THE MATTER OF A HEARING CALLED
BY THE OIL CONSERVATION DIVISION ON
ITS OWN MOTION TO ACCEPT NOMINATIONS
AND OTHER EVIDENCE AND INFORMATION
TO ASSIST IN DETERMINING APRIL THROUGH
SEPTEMBER, 1991 GAS ALLOWABLES FOR
THE PRORATED GAS POOLS IN NEW MEXICO.

RECEIVED

FEB 25 1991

OIL CONSERVATION DIV.
SANTA FE

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

name, address, phone and
contact person

ATTORNEY

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OPPOSITION OR OTHER PARTY

Union Oil Company of California____
d/b/a Unocal_____
3300 North Butler Avenue, Suite 200
Farmington, New Mexico 87401_____
Attn: Paul T. West
(505) 326-7600

name, address, phone and
contact person

ATTORNEY

William F. Carr_____
Campbell & Black, P.A._____
Post Office Box 2208_____
Santa Fe, New Mexico 87504_____
(505) 988-4421_____

STATEMENT OF CASE

APPLICANT

In the matter of a hearing called by the Oil Conservation Division on its own motion to accept nominations and other evidence and information to assist in determining April through September, 1991 gas allowables for the prorated gas pools in New Mexico. Fourteen of the prorated gas pools are in Lea, Eddy and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. The April through September, 1991 allocation period will be the first under the amended rules. Information concerning the amended rules was contained in OCD Memorandum dated January 3, 1991. Additional information including preliminary allowable estimates is being distributed with OCD Memorandum dated February 4, 1991.

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.)

Union Oil Company of California, Unocal will appear and present testimony on the procedures used to compute the allowable allocation factors (F1 and F2). The procedures appear to impose severe allocation restrictions on the San Juan Basin, Basin Dakota Pool. Restriction of a lessor nature are also imposed on the Blanco Mesa Verde Pool. Evidence will be presented to illustrate the impact of the procedure on Unocal's properties.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

None.

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

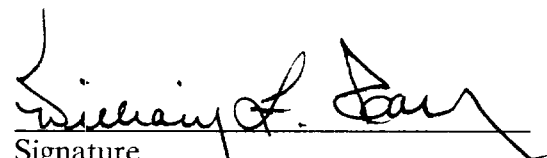
Paul T. West, Civil Engineer

15 Min.

Approximately 6

PROCEDURAL MATTERS

None.


Signature