

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. 10321
DOCKET #22-91
August 8, 1991

APPLICATION OF McKay Oil Corp.
for approval of the Charlotte State
Unit Agreement, Chaves County,
New Mexico

PRE-HEARING STATEMENT

This prehearing statement is submitted by Randolph M. Richardson
as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

Applicant
McKay Oil Corporation

Attorney
Randolph M. Richardson

Opposition
Applicant has received no Notice of Opposition and anticipates that this
Exploratory Unit will not be opposed.

STATEMENT OF CASE

Applicant will present geological evidence to show that the Unit outline
covers a large probable productive (Abo) area, and will present evidence as to
land matters; acreage, commitments, location, etc., and that all entities
owning an interest in the area have been contacted and notice of hearing made
in accordance with Rule 1207.

Opposition: None expected

PROPOSED EVIDENCE

Applicant
1st Witness
George Reddy - Geology 10-15 minutes 4 exhibits*

*Four exhibits combined into one Geological Report

2nd Witness
J. L. Schultz - Land & Legal 10-15 minutes 2 exhibits

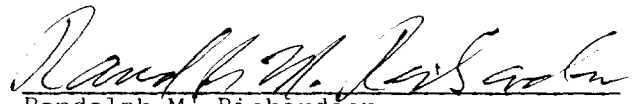
Note:
It is felt that the time shown for each witness will be less than
15 minutes.

Continuation of Pre-Hearing Statement
Case No. 10321

Opposition: None expected.

PROCEDURAL MATTERS

None

A handwritten signature in cursive script, reading "Randolph M. Richardson", written over a horizontal line.

Randolph M. Richardson

P.O. Box 2423

Roswell, New Mexico 88202-2423