

**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. 10553

APPLICATION OF ARCO OIL AND GAS COMPANY
FOR STATUTORY UNITIZATION,
LEA COUNTY, NEW MEXICO.

RECEIVED

SEP 11 1992

PRE-HEARING STATEMENT

**OIL CONSERVATION DIV.
SANTA FE**

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

ARCO Oil and Gas Company_____
Attn: Ray Pyle_____
Post Office Box 1610_____
Midland, Texas 79702_____
(915) 688-5546_____

William F. Carr_____
Campbell, Carr, Berge & Sheridan_____
Post Office Box 2208_____
Santa Fe, New Mexico 87504_____
(505) 988-4421_____

name, address, phone and
contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

() _____

() _____

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

ARCO Oil and Gas Company, Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all minerals interests in the proposed Justis-Blinbry-Tubb-Drinkard Pool, underlying 5360 acres, more or less, of State, Federal and Fee lands comprising portions of Townships 25 and 26 South, Ranges 37 and 38 East. Said unit is to be designated the South Justis Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator;; the determination of horizontal and vertical limits of the Unit Area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the Unit Area; the determination of credits and charges to be made among the various owners in the Unit Area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not necessarily limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the Unit Area upon such terms and conditions to be determined by the Division as just and reasonable.

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.)

PROPOSED EVIDENCE

APPLICANT

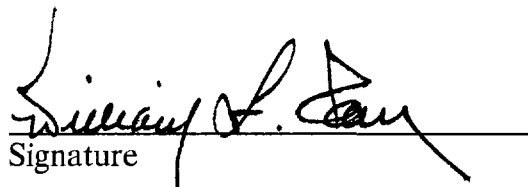
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Ray Pyle, Landman	15 Minutes	Approximately 11
Tim Altum, Geologist	15 Minutes	Approximately 5
Dick Prentis, Petroleum Engineer	30 Minutes	Approximately 6

OPPOSITION

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

PROCEDURAL MATTERS

ARCO will request that cases 10552, 10553 and 10554 be consolidated for purposes of hearing.


Signature