

**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:



APPLICATION OF EXXON CORPORATION  
FOR A WATERFLOOD PROJECT AND  
EOR QUALIFICATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11297 (De Novo)

APPLICATION OF EXXON CORPORATION  
FOR STATUTORY UNITIZATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11297 (De Novo)

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Campbell, Carr & Berge, P.A., as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Exxon Corporation

**ATTORNEY**

Jim Bruce, Esq.  
Hinkle, Cox, Eaton, Coffield & Hensley  
Post Office Box 2068  
Santa Fe, New Mexico 87504  
(505) 982-4554

**PROPONENT**

Yates Petroleum Corporation  
c/o Dave Boneau  
105 South Fourth Street  
Artesia, New Mexico 88210  
(505) 748-1471

**ATTORNEY**

William F. Carr, Esq.  
Campbell, Carr & Berge, P.A.  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**Pre-Hearing Statement**

**Case Nos. 11297 (De Novo) and 11298 (De Novo)**

**Page 2**

**OPPONENT**

Premier Oil & Gas Inc.

**ATTORNEY**

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504

**STATEMENT OF CASE**

**APPLICANT/PROPONENT**

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

Yates Petroleum Corporation will present supporting evidence for the applications filed by Exxon herein.

**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.)

**Pre-Hearing Statement**

**Case Nos. 11297 (De Novo) and 11298 (De Novo)**

**Page 3**

**PROPOSED EVIDENCE**

**APPLICANT**

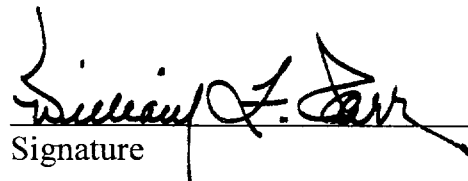
<b>WITNESSES</b> (Name and expertise)	<b>EST. TIME</b>	<b>EXHIBITS</b>
David Boneau, Land	20 Min.	Approximately 3

**OPPOSITION**

<b>WITNESSES</b> (Name and expertise)	<b>EST. TIME</b>	<b>EXHIBITS</b>
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**PROCEDURAL MATTERS**

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

  
Signature

**Pre-Hearing Statement**

**Case Nos. 11297 (De Novo) and 11298 (De Novo)**

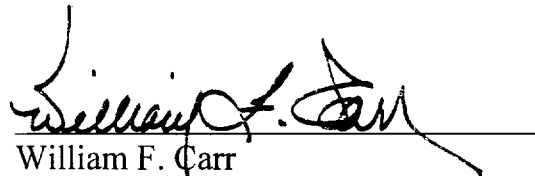
**Page 4**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 8<sup>th</sup> day of December, 1995, I have caused to be mailed a copy of our Pre-Hearing Statement in the above-captioned case to the following named counsel:

James G. Bruce, Esq.  
Hinkle, Cox, Eaton, Coffield & Hensley  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068

W. Thomas Kellahin, Esq.  
Kellahin & Kellahin  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265

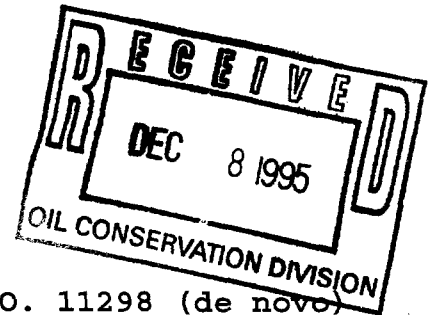
  
William F. Carr

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 11297 (de novo)

APPLICATION OF EXXON CORPORATION FOR A  
WATERFLOOD PROJECT, QUALIFICATION FOR  
THE RECOVERED OIL TAX RATE PURSUANT TO  
THE "NEW MEXICO ENHANCED OIL RECOVERY  
ACT" FOR SAID PROJECT, AND FOR 18 NON-  
STANDARD OIL WELL LOCATIONS, EDDY COUNTY  
NEW MEXICO



APPLICATION OF EXXON CORPORATION  
FOR STATUTORY UNITIZATION, EDDY  
COUNTY, NEW MEXICO

CASE NO. 11298 (de novo)

ORDER NO. R-10460-A

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Exxon Corporation

ATTORNEY

Hinkle, Cox, Eaton, Coffield  
& Hensley, P.L.L.C., Ltd., Co.  
James Bruce  
Post Office Box 2068  
Santa Fe, NM 87504-2068  
(505) 982-4554

OPPOSITION

Premier Oil & Gas, Inc.

ATTORNEY

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
Post Office Box 2265  
Santa Fe, New Mexico 87504-2265  
(505) 982-4285

OTHER PARTY

Yates Petroleum Corp.

William F. Carr  
CAMPBELL, CARR, BERGE  
Post Office Box 2208  
Santa Fe, NM 87504-2208  
(505) 988-4421

STATEMENT OF CASE

APPLICANT

In Case No. 11298 Exxon seeks to statutorily unitize approximately 2100 acres of federal, state, and fee land in the designated and undesignated Avalon-Delaware Pool. In Case No. 11297, Exxon seeks (a) approval of a waterflood for the unit, (b) qualification of the project for the recovered oil rate, and (c) 18 unorthodox well locations.

Tract participation under the Unit Agreement is based on:

25% remaining primary reserves  
50% secondary reserves  
25% tertiary reserves

The participation formula is fair and equitable, and it is supported by over 95% of working interest owners in the unit. The Commissioner of Public Lands and the Bureau of Land Management, who together own in excess of 90% of the royalty interest in the unit, have preliminarily approved the unit.

OPPOSITION

Premier asserts that its tract contains substantial primary and secondary reserves for which it is not given credit in the technical report, and wants either (a) a higher participation figure for its tract, or (b) to have its tract deleted from the unit. Geology does not support an increased participation for Premier, and the tract is necessary for future operations. Thus, Premier's position is without merit.

PROPOSED EVIDENCE

APPLICANT

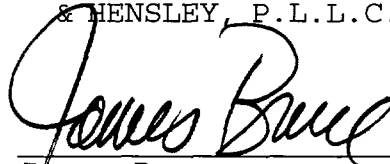
WITNESSES	EST. TIME	EXHIBITS
Joe B. Thomas (landman)	20 minutes	Approx. 10
Dave Cantrell (geologist)	20 minutes	Approx. 15
Gil Beuhler (engineer)	30 minutes	Approx. 15

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

HINKLE, COX, EATON, COFFIELD  
& HENSLEY, P.L.L.C., Ltd., Co.



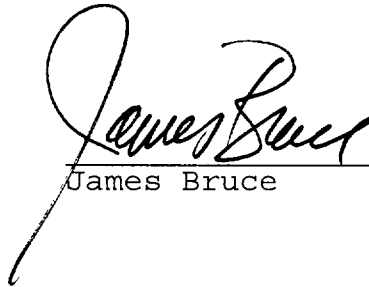
James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **Pre-Hearing Statement** was delivered by first-class mail, postage pre-paid, this 8<sup>th</sup> day of December, 1995, to:

William F. Carr  
CAMPBELL, CARR, BERGE  
Post Office Box 2208  
Santa Fe, NM 87504-2208

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
Post Office Box 2265  
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James Bruce