

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

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

CASE NO. 10775

IN THE MATTER OF THE APPLICATION OF
SANTA FE ENERGY OPERATING PARTNERS, L.P.,
FOR AN UNORTHODOX INFILL GAS WELL
LOCATION AND SIMULTANEOUS DEDICATION,
EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Santa Fe Energy Operating _____
Partners, L.P. _____

() _____

name, address, phone and
contact person

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Enron Oil & Gas Company _____
c/o Pat Tower _____
Post Office Box 2267 _____
Midland, TX 79702 _____
(915) 686-3758

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
(505) 988-4421 _____
(505) 988-4421

STATEMENT OF CASE

APPLICANT

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

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.)

Enron Oil & Gas Company will appear in opposition to this application and present testimony in support of the imposition of a production penalty on the Santa Fe well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Pat Tower, Landman

5 Min.

Approximately 2

Barry Zinz, Geologist

15 Min.

Approximately 3

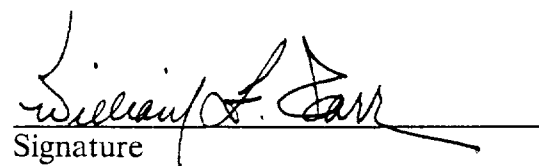
Randy Cate, Petroleum Engineer

15 Min.

Approximately 3

PROCEDURAL MATTERS

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

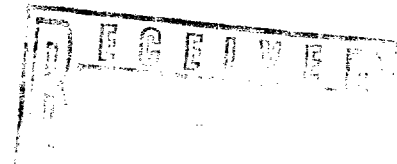

Signature

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

IN THE MATTER OF THE HEARING
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CONSIDERING:

CASE NO. 10,775

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
AN UNORTHODOX INFILL GAS WELL
LOCATION AND SIMULTANEOUS
DEDICATION, EDDY COUNTY, NEW
MEXICO.



PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L.P.
Suite 1330
500 West Texas
Midland, Texas 79701
Attention: Curtis Smith
(915) 686-6631

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Enron Oil & Gas Company

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

The S½ of Section 1 is dedicated to applicant's Malaga 1 Fed. No. 1 Well, located in the SW¼ of Section 1 - 24 South - 28 East, which is producing from the Atoka formation. Applicant seeks to drill its Malaga 1 Fed. No. 2 Well to test the Atoka formation at an unorthodox location (1980 feet FSL and 660 feet FEL) in Section 1, and to simultaneously dedicate the well to the S½ of Section 1 together with its existing Malaga 1 Fed. No. 1 Well. The No. 2 Well will test a different Atoka sand than the No. 1 Well, and thus applicant requests authority to produce both wells concurrently. The unorthodox location for the No. 2 Well is necessary to insure that the separate Atoka sand will be adequately tested.

OPPOSITION

Enron operates the N½ of Section 1, and also an Atoka well in the E½ of Section 36 - 23 South - 28 East.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Curtis Smith (Landman)	5 minutes	(a) Land plat (b) Notice letters (c) AFE
Louis Goldstein (Geologist)	20 minutes	(a) Structure map (b) Isopach (c) Cross-section
<hr/> (Engineer)	Possible witness	

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



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

Attorneys for Santa Fe Energy Operating
Partners, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was mailed to William F. Carr, Esq., Campbell, Carr, Berge & Sheridan, P.A., Post Office Box 2208, Santa Fe, New Mexico 87504-2208, this 3rd day of September, 1993, by first-class mail, postage prepaid.



James Bruce

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ATTORNEY

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

OPPOSITION OR OTHER PARTY

Texaco Exploration & Production Inc. _____

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
(505) 988-4421 _____

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APPLICANT

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Texaco Exploration and Production, Inc. will appear in opposition to this application and present testimony in support of the imposition of a production penalty on the Santa Fe well.

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APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Allen Spelman, Geologist

15 Min.

Approximately 7

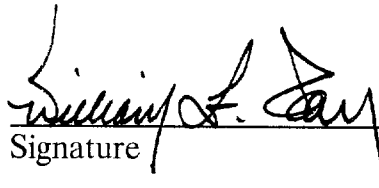
Jim Dore, Petroleum Engineer

10 Min.

Approximately 5

PROCEDURAL MATTERS

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Signature

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Enron Oil & Gas Company _____
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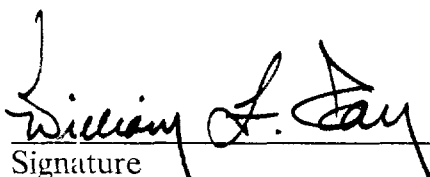
Randy Cate, Petroleum Engineer

15 Min.

Approximately 3

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Signature