

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

2005 APR 26 PM 2 31

IN THE MATTER OF THE APPLICATION OF PRESTON
EXPLORATION, L.L.C. FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

CASE NO. 13487

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of Preston Exploration, L. L. C. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

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(505) 989-9614

APPLICANT

Preston Exploration, L.L.C.

OPPONENT'S ATTORNEY

OPPONENT

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling the owner of operating rights from the surface to the base of the Morrow formation in the SW/4 SW/4 of Section 2, Township 20 South, Range 25 East, to form a standard 320-acre S/2 gas spacing and proration unit. The unit will be dedicated to the Cemetery "2" No. 2 Well to be drilled to the Morrow formation at a standard gas well location 660' from the South line and 1, 750' from the East line of Section 2.

This Application is brought pursuant to the provisions of 19.15.14.1207 A.(1)(b) NMAC in order to pool the interests of an owner who cannot be located. The name and last known address for the owner of the interests to be pooled is:

Santa Fe Exploration Company
201 W. Third Street
Roswell, New Mexico 88201

Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator and a charge for risk involved in drilling the well.

No opposition is expected. The case will be presented by affidavit through counsel. No witnesses will present testimony.

OPPOSITION OR OTHER PARTY

None.

PROPOSED EVIDENCE

APPLICANT

WITNESSES:

Est. Time

No. of Exhibits

None.

PROCEDURAL MATTERS

None.

MILLER STRATVERT P.A.

By:



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