

**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 HEARING:**

**APPLICATION OF TEXLAND PETROLEUM, L.P.  
FOR A COMPLIANCE ORDER AGAINST LATIGO  
PETROLEUM, INC. VOIDING ADMINISTRATIVE  
ORDER DHC-3086, COMPULSORY POOLING,  
CHANGE OF OPERATOR AND OTHER RELIEF,  
LEA COUNTY, NEW MEXICO**

**CASE 13494**

**PRE-HEARING STATEMENT**

**Texland Petroleum, L.P. submits this pre-hearing statement as  
required by the New Mexico Oil Conservation Division.**

**APPEARANCES OF THE PARTIES**

**APPLICANT**

**Texland Petroleum, L.P.  
777 Main Street, Suite 3200  
Fort Worth, Texas 76102  
Attn: James H. Wilkes  
817-336-2751**

**ATTORNEY**

**Thomas Kellahin, Esq.  
P. O. Box 2265  
Santa Fe, NM 87504  
505-982-4285**

**OPPONENT**

**Latigo Petroleum, Inc.**

**ATTORNEY**

**James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, NM 87504  
505-982-2043 (ph)  
505-982-2151 (fx)**

**STATEMENT OF THE CASE****APPLICANT:**

By its First Amended Application, Texland Petroleum, L.P. seeks a Compliance Order, including fines, against Latigo Petroleum, Inc. ("Latigo") including an order to void and revoke Administrative Order DHC-3086, and to require Latigo to immediately shut-in its Conoco State Well No. 3 (API No. 30-025-35961) located in Unit J of Section 33, T18S, R38E, Lea County New Mexico until such time as: (i) a standard 160-acre gas spacing unit consisting of the SE/4 of this section, is dedicated to this well in the Tubb formation, Hobbs-Tubb Gas Pool, (ii) the production proceeds from this well in the Tubb and Drinkard formations are reallocated and paid to the owners in these spacing units from the date of first production, and (iii) paid the fines for violations of the Gas and Gas Act. Section 70-2-31 NMSA 1978. Further, applicant seeks a compulsory pooling order including provisions for designation of the applicant as the operator and the removal of Latigo as the operator.

**PROPOSED EVIDENCE****APPLICANT****WITNESSES****EST. TIME****EST. EXHIBITS****James H. Wilkes (P.E.)****@ 30-45 minutes****@ 30****Richard Strickland (P.E.)****@ 60-90 minutes****@ 20****PROCEDURAL MATTERS****None and this time.****KELLAHIN & KELLAHIN****W. Thomas Kellahin****P. O. Box 2265****Santa Fe, New Mexico 87504****Phone 505-982-4285****Fax 505-982-2047****E-mail: kellahin@earthlink.net****CERTIFICATE OF SERVICE****I certify that on May 27, 2005, I served a copy of the foregoing documents by:****[ ] US Mail, postage prepaid****[ ] Hand Delivery****[x] Facsimile****to the following:****James Bruce, Esq.****W. Thomas Kellahin**

**BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION**

**APPLICATION OF TEXLAND PETROLEUM,  
L.P. FOR AN ORDER TO VOID AND REVOKE  
ADMINISTRATIVE ORDER DHC-3086 AND  
FOR A COMPLIANCE ORDER AGAINST  
LATIGO PETROLEUM, INC. REQUIRING IT  
TO IMMEDIATELY SHUT-IN THE CONOCO  
STATE WELL NO. 3, COMPULSORY POOLING,  
REMOVAL OF OPERATOR, AND OTHER  
RELIEF, LEA COUNTY, NEW MEXICO.**

**Case No. 13,494**

**LATIGO PETROLUM, INC.'S  
ENTRY OF APPEARANCE AND  
UNOPPOSED MOTION FOR A CONTINUANCE**

**A. ENTRY OF APPEARANCE.**

James Bruce enters his appearance on behalf of Latigo Petroleum, Inc. ("Latigo").

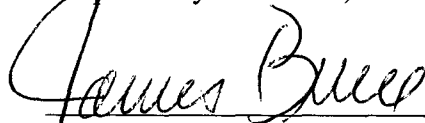
**B. MOTION FOR A CONTINUANCE.**

In addition, Latigo moves the Division for an order continuing this case to the June 16, 2005 Examiner hearing. In support thereof, Latigo states:

1. Latigo and Texland Petroleum, L.P. ("Texland") are discussing settlement of this matter, and a continuance may help in those discussions.
2. Counsel for Texland has been contacted regarding this request, and has agreed to a continuance.

**WHEREFORE**, Latigo requests that Case No. 13494 be continued to the June 16<sup>th</sup> Examiner hearing.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Latigo Petroleum, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 27<sup>th</sup> day of May, 2005 in the manner indicated:

Via fax


W. Thomas Kellahin  
Kellahin & Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504  
Fax: (505) 982-2047

Via fax

Gail MacQuesten  
Oil Conservation Commission  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
Fax: 9505) 476-3462

Via fax

J. Scott Hall  
Miller Stratvert P.A.  
P.O. Box 1986  
Santa Fe, New Mexico 87504  
Fax: (505) 989-9614

  
\_\_\_\_\_  
James Bruce