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

APPLICATION OF AMTEX ENERGY, INC. FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 14988

APPLICANT'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Amtex Energy, Inc. ("Amtex") (OGRID 785), as required by 19.15.4.13.B NMAC.

APPEARANCES

APPLICANT

ATTORNEY

Amtex Energy, Inc.

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STATEMENT OF THE CASE

AMTEX ENERGY, INC. ("AMETX")(OGRID 785), seeks an order approving its Merchants State Unit Agreement. The Unit consists of approximately 1280.12 acres, more or less, of State of New Mexico lands situated in all of Section 35, Township 21 South, Range 33 East, and all of Section 2, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. The vertical extent of the unitized area is inclusive of the Bone Spring formation to the top of the Strawn formation.

Management and operation of the Unit Area under the terms of the Unit Agreement are in the interest of conservation, the prevention of waste, and the protection of correlative rights.

The State Land Office has provided a letter indicating its preliminary approval of the formation of this unit.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
William J. Savage, Petroleum Landman	Approx. 20 minutes	Approx. 4 Exhibits
Sally M. Roberts, Petroleum Geologist	Approx. 20 minutes	Approx. 4 Exhibits

PROCEDURAL MATTERS

The testimony of Sally Roberts will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART, LLP

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ATTORNEYS FOR AMTEX ENERGY, INC.