

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

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JUL 7 2003

Oil Conservation Division

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

CASE NO. 13103

APPLICATION OF V-F PETROLEUM INC.  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW  
MEXICO

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

APPLICANT

ATTORNEY

V-F Petroleum, Inc.  
Attn: Mr. Jerry Gahr  
Post Office Box 1889  
Midland, Texas 79702

William F. Carr, Esq.  
Holland & Hart LLP and Campbell & Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**STATEMENT OF CASE**

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from a depth of 3,500 feet (the approximate base of the San Andres formation) to 11,152 feet (the approximate base of the Morrow formation) underlying the N/2 of Section 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in the following manner:

A. The N/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas pool;

- B. The NW/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools spaced on 160 acres within said vertical extent; and
- C. The NE/4 NW/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools spaced on 40 acres within said vertical extent.

Said units are to be dedicated to its Samuel Burns "34" State Well No. 3 located at a standard gas well location 450 feet from the North line and 2,100 feet from the East line (Unit B) of said Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of V-F Petroleum Inc. as operator of the well and a charge for risk involved in drilling said well.

Said area is located approximately 14 miles southeast of Artesia, New Mexico.

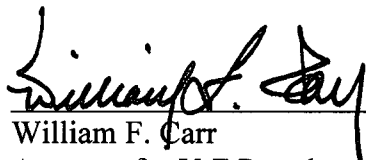
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Jerry Gahr (Landman)	Approximately 20 Minutes	Approximately 7

**PROCEDURAL MATTERS**

V-F Petroleum Inc. has none at this time.

  
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William F. Carr  
Attorney for V-F Petroleum Inc.