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

APPLICATION OF BASS ENTERPRISES PRODUCTION CO. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 13,633

DX 264

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Bass Enterprises Production Co. Suite 1100 201 Main Street

Fort Worth, Texas 76102

APPLICANT'S ATTORNEY

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention: Ryan Dobbs

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 7, Township 22 South, Range 28 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to the Indian Draw "7" Com. Well No. 1, to be drilled at an orthodox gas well location in the SE/4NW/4 of Section 7. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, reducing the election period normally given in an order, and a 200% charge for the risk involved in drilling and completing the well.

<u> OPPONENT</u>

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Ryan Dobbs (landman) 15 min.

Approx. 5

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce

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Santa Fe, New Mexico 87504

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Attorney for Bass Enterprises Production Co.