

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

2017 JUN -1 P 2:47

**APPLICATION OF SPECIAL ENERGY
CORPORATION FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

Case No. 15712

**SPECIAL ENERGY CORPORATION'S
PRE-HEARING STATEMENT**

Special Energy Corporation ("Special Energy") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

Special Energy is the applicant in this case. Its office address is 4815 South Perkins Road, Stillwater, Oklahoma 74074, and its mailing address is PO Drawer 369, Stillwater, Oklahoma 74076. Special Energy is represented by the undersigned counsel.

STATEMENT OF THE CASE

Special Energy's application seeks an order (i) approving a 160-acre, non-standard spacing and proration unit comprised of the W/2 W/2 of Section 20, Township 12 South, Range 38 East, N.M.P.M., in Lea County, and (ii) pooling all uncommitted mineral interests in the San Andres formation underlying this acreage. The proposed non-standard spacing and proration unit will be the project area for the Decker #1-H well, which will be horizontally drilled from a surface location in Unit M of Section 17, Township 12 South, Range 38 East to a bottom hole location in Unit M of Section 20, Township 12 South, Range 38 East. The completed interval for the well will comply with the Division's setback requirements.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Gary Bond (Landman)	10 minutes	Approx. 9
Mike Burke (Geologist)	10 minutes	Approx. 3

Special Energy reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Because this case and Case No. 15713 involve similar applications and the same witnesses, Special Energy requests that the cases be consolidated for purposes of the hearing.

HINKLE SHANOR, LLP



Gary W. Larson
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com

Counsel for Special Energy Corporation