

**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 CONSIDERING:**

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

Case No. 16177

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

DGP Energy, LLC
Suite 200
2530 Eldorado Parkway
McKinney, Texas 77479

Attention: Mark Swadener
(214) 707-3805

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

DGP Energy, LLC seeks an order approving a 240-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2E/2 of Section 19 and the E/2SE/4 of Section 18, Township 16 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the E/2E/2 of Section 19 and the E/2SE/4 of Section 18. The unit will be dedicated to the Golden Wolf 1918 Well No. 6H, a horizontal well with a surface location in the SE/4SW/4 of Section 19, and a terminus in the NE/4SE/4 of Section 18. The producing interval of the well will be orthodox. 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, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Christina Sherwood (landman)	15 min.	Approx. 6
Ryan O'Connell (geologist)	10 min.	Approx. 4

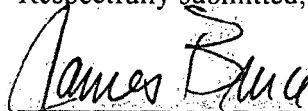
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
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(505) 982-2043

Attorney for DGP Energy, LLC