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

APPLICATION OF IMPETRO OIL & GAS, LLC FOR COMPULSORY POOLING LEA COUNTY, NEW MEXICO

CASE NO. 20667

IMPETRO'S PRE-HEARING STATEMENT

ImPetro Oil & Gas, LLC ("ImPetro") through undersigned counsel, file this Pre-Hearing

Statement pursuant to section 19.15.4.13.B NMAC.

APPEARANCES

APPLICANT ImPetro Oil & Gas, LLC

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APPLICANTS' ATTORNEY Dalva L. Moellenberg GALLAGHER & KENNEDY, PA 1239 Paseo de Peralta Santa Fe, NM 87501-2758 Phone: (505) 982-9523 Fax: (505) 983-8160 dlm@gknet.com

STATEMENT OF THE CASE

ImPetro Oil & Gas, LLC ("ImPetro" or "Applicant") seeks an order pooling all uncommitted interests in the Wolfcamp formation, Jal; Wolfcamp, West Pool, in the 640 acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 18 and 19, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: the **Blue Marlin Federal Com #1H,** the **Blue Marlin Federal Com #2H,** the **Blue Marlin Federal Com #3H,** and the **Blue Marlin Federal Com #4H** wells to be drilled from surface hole locations in the NW/4 NW/4 (Unit C) of Section 18, T25S, R36E to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 19, T25S, R36E. Also to be considered are Applicant's designation as the operator of the spacing unit and the wells, the cost of drilling and completing the wells and allocation of the costs thereof, as well as the actual operating charges and costs of supervision, and imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells.

PROPOSED EVIDENCE

Applicants' Proposed Evidence

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| WITNESS | ESTIMATED TIME | EXHIBITS |
|----------------------------|----------------|-----------|
| Neal Rudderow, Landman | 15 minutes | Approx. 6 |
| Nathan Guidorzi, Geologist | 15 minutes | Approx. 4 |

PROCEDURAL MATTERS

As of the date of this Pre-Hearing Statement, no other person has appeared. In the event this case is unopposed, Applicant may request to submit this case for decision based upon affidavit.

RESPECTFULLY SUBMITTED

Gallagher & Kennedy, P.A. By 🖍

Dalva L. Moellenberg 1239 Paseo de Peralta Santa Fe, New Mexico 87501 <u>dlm@gknet.com</u> (505) 989-7278 Counsel for ImPetro Oil & Gas, LLC