

**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 HUDSON OIL COMPANY OF
TEXAS, WILLIAM A. HUDSON, AND EDWARD
R. HUDSON FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 13,598

AMENDED PRE-HEARING STATEMENT

This pre hearing statement is submitted by Ard Oil, Ltd. and Ard Energy Group, Ltd. (collectively, the "Ard Interests") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Hudson Oil Company of Texas
William A. Hudson
Edward R. Hudson

APPLICANT'S ATTORNEY

William F. Carr
Holland & Hart LLP

OPPONENT

Ard Oil, Ltd.
Ard Energy Group, Ltd.
PH 5
222 West Fourth Street
Fort Worth, Texas 76102

OPPONENT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
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Attention: R.E. Grappe

STATEMENT OF THE CASE

APPLICANT

Applicants seek an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the N½ of Section 12, Township 17 South, Range 31 East, N.M.P.M., and naming Hudson Oil Company of Texas as operator of the proposed Francotte Federal Well No. 1

OPPONENT

The Ard Interests seek information so that they may make an informed decision on joining in the well. The information it seeks includes, but is not limited to, (1) the experience of Hudson Oil Company of Texas in drilling and operating Morrow wells, (2) the working interest ownership of applicants in the well, (3) how the well's location was decided, (4) information on prospective zones, (5) the identity of the drilling contractor, and any related contracts, (6) the Hudsons' drilling prognosis, including but not limited to the well's drilling and casing program and the specific zones it plans on testing, and (7) the identity and background of the Hudson Oil Company of Texas employees who will be involved in the drilling of the well. Much of this information was previously requested by the Ard Interests from Hudson Oil Company of Texas, but only very limited information has been provided. The Ard Interests reserve the right to pursue additional issues raised by the testimony at hearing.

PROPOSED EVIDENCE**APPLICANT****WITNESSES****EST. TIME****EXHIBITS****OPPONENT****WITNESSES****EST. TIME****EXHIBITS**

R.E. Grappe

30 min.

Approx. 4

William A. Hudson, II

20 min.

Edward R. Hudson, Jr.

20 min.

E. Randall Hudson, III

20 min.

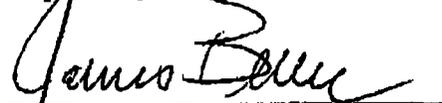
PROCEDURAL MATTERS

(1) The Ard Interests have subpoenaed applicants to appear and testify at the hearing, and applicants have moved to quash the subpoenas.

(2) The Ard Interests have also subpoenaed applicants to provide well and related data.

Compliance with the subpoenas must be addressed by the Division prior to the hearing.

Respectfully submitted,



James Bruce
Post Office Box 1056
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(505) 982-2043

Attorney for Ard Oil, Ltd. and Ard Energy
Group, Ltd.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 9th day of February, 2006 by facsimile transmission:

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James Bruce