

**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:**

**CASE NO. 13070**

**APPLICATION OF MACK ENERGY CORP. FOR  
COMPULSORY POOLING OF FOUR 40-ACRE  
SPACING AND PRORATION UNITS, LEA  
COUNTY, NEW MEXICO.**

**RECEIVED**

**MAY 20 2003**

**Oil Conservation Division**

**PRE-HEARING STATEMENT**

**This Prehearing Statement is submitted by Holland & Hart LLP as required by  
the Oil Conservation Division.**

**APPEARANCES OF PARTIES**

**APPLICANT**

**Mack Energy Corp.  
Attn: Ron Lanning  
Post Office Box 960  
Artesia, NM 88211  
(505) 748-1288**

**ATTORNEY**

**William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421**

**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to a depth of 5000 feet in the following described spacing and proration units located in the SW/4 of Section 31, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico for its Panther Federal Well Nos. 1, 3, 5, and 6:

NW/4 SW/4: Panther Federal Well No. 1,  
(Lot 3) 1650 feet from the South line and 330 feet from  
the West line (Unit L),

NE/4 SW/4: Panther Federal Well No. 3  
1650 feet from the South and West lines (Unit K),

SW/4 SW/4: Panther Federal Well No. 5  
(Lot 4) 990 feet from the South and West lines (Unit M),  
and

SE/4 SW/4: Panther Federal Well No. 6  
990 feet from the South line and 2310 feet from  
the West line (Unit N).

Applicant proposes to drill each well to test any and all formations from the surface to a depth of 5000 feet that are developed on 40-acre spacing under each quarter-quarter section which includes but is not necessarily limited to the Undesignated Yates-Maljamar Pool, Undesignated Pearsall-Seven Rivers Pool, Undesignated Pearsall Queen Pool, and the Maljamar Grayburg-San Andres Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mack Energy Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles Southwest of Maljamar, New Mexico.

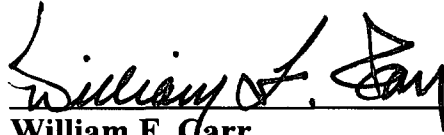
### **PROPOSED EVIDENCE**

#### **APPLICANT**

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
<b>Ron Lanning</b> <b>(Landman)</b>	<b>Approx. 20 min.</b>	<b>Approx. 7</b>
<b>Matt Brewer</b> <b>(Geologist)</b>	<b>Approx. 15 min.</b>	<b>Approx. 3</b>

**PROCEDURAL MATTERS**

**Mack Energy Corp. has none at this time.**

  
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**William F. Carr**  
**Attorney for Mack Energy Corp.**