

RECEIVED
2007 OCT 25 PM 4 40

**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 GREAT WESTERN DRILLING LTD. AND DAVOIL, INC. FOR AN
ORDER RE-OPENING CASE NO. 13897 (APPLICATION OF CIMAREX ENERGY CO. OF
COLORADO FOR POOL CREATION, A DISCOVERY ALLOWABLE AND SPECIAL POOL
RULES), CREATING A NEW GAS POOL, RESCINDING ADMINISTRATIVE ORDER NSL-
5578, AND SHUTTING IN AND IMPROVING A PRODUCTION PENALTY ON THE KEELY 26
FEDERAL WELL NO. 1, EDDY COUNTY, NEW MEXICO.**

CASE NO. 13897

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Great Western Drilling Ltd.
Attention: Carter Muire

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks to re-open Case No. 13897 (Application of Cimarex Energy Co. of Colorado for Pool Creation, A Discovery Allowable, and Special Pool Rules, Eddy County, New Mexico) to allow Great Western Drilling and DAVOIL, Inc. to appear and present testimony in opposition to the application to classify this pool as an oil pool and to adopt special pool rules for this pool. Applicants also seek the rescission of Administrative Order NSL-5578 that approved an unorthodox location for the Keely 26 Fed. Well No. 1, located 1980 feet from the North line and 1550 feet from the East line of Section 26, the imposition of a penalty on production from this well if it is determined to be an oil well, and denial of a discovery allowable. The proposed new pool in the Wolfcamp formation is comprised of the NE/4 of Section 26, Township 17 South, Range 29 East, NMPM.

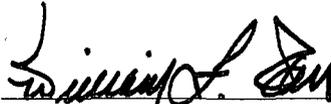
PROPOSED EVIDENCE

APPLICANT:

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Carter Muire (Petroleum Landman)	Approx. 10 Min.	Approx. 4
David Osterlund or Russell Richards (Petroleum Geologist)	Approx. 15 Min.	Approx. 5
Pat Worrell (Petroleum Engineer)	Approx. 20 Min.	Approx. 6

PROCEDURAL MATTERS

Great Western Drilling may seek a continuance of the November 1, 2007 hearing.

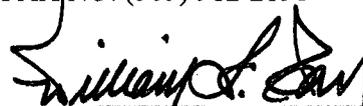


William F. Carr
ATTORNEY FOR GREAT WESTERN DRILLING,
LTD.

CERTIFICATE OF SERVICE

I certify that on October 25, 2007 I served a copy of the foregoing document to the following by
Fascimile:

James Bruce, Esq.
Post office Box 1056
Santa Fe, New Mexico 87504
FAX NO. (505) 982-2151



William F. Carr