

**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 PURPOSES
OF CONSIDERING:**

CASE NO. 14132

**APPLICATION OF PURVIS OPERATING CO. FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

RESPONDENT'S ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Purvis Operating Co.

ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043
(505) 982-2151 (Fax)

OPPONENT

William P. Edwards
Higgins Trust, Inc.
c/o David Vandiver
611 West Mahone Suite E
Artesia, NM 88210-2075
575-746-9841

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
110 N. Guadalupe St. Suite 1
Santa Fe, NM 87501
(505) 988-4421
(505) 983-6043 (Fax)

**RECEIVED
2008 MAY 22 AM 11 10**

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 7, Township 15 South, Range 35 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the proposed Antelope Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 7. 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. The units are located approximately 8 miles northwest of Lovington, New Mexico.

OPPONENT

Opponent asserts that the Applicant has not made a good faith effort to reach voluntary agreement and therefore the application should be denied with respect to opponent's interest.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

OPPONENT

WITNESSES

ESTIMATED TIME

EXHIBITS

None

PROCEDURAL MATTERS

Higgins Trust has none at this time.



Ocean Munds-Dry
Attorney for Higgins Trust, Inc.