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**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 CHASE OIL CORPORATION
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 14,437

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chase Oil Corporation
P.O. Box 960
Artesia, New Mexico 88211

Attention: Ron Lanning
(575) 748-1208

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Chase Oil Corporation seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the N/2N/2 of Section 36, Township 16 South, Range 27 East, NMPM, and pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Snowball State Com. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the NE/4NE/4, with a terminus at an orthodox location in the NW/4NW/4, of Section 36. 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

Mack Energy Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Staci D. Sanders (landman)	15 min.	Approx. 5

IF THIS MATTER IS UNOPPOSED IT MAY BE SUBMITTED BY AFFIDAVIT.

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>

PROCEDURAL MATTERS

-None-

Respectfully submitted,



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Attorney for Chase Oil Corporation