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 LYNX PETROLEUM CONSULTANTS INC. FOR AN ORDER AUTHORIZING THE DRILLING OF A WELL IN THE POTASH AREA, EDDY COUNTY, NEW MEXICO.

PRE- HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Larry R. Scott Lynx Petroleum Consultants Inc. PO Box 1708 Hobbs, NM 88241 (575) 392-6950

ATTORNEY

Ocean Munds-Dry Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

CASE NO. 14520

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STATEMENT OF CASE

APPLICANT

Applicant seeks an order approving the drilling of its proposed Eddy "BD" State Well No. 3 within the Potash Area at a location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 32, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico. This well will be drilled to an approximate depth of 11,500 feet to test all formations from the surface to the Strawn formation, Golden Lane Strawn Pool and will be at a standard location in all formations. Said location is within the Potash Area and located approximately 14 miles Northeast of Carlsbad, New Mexico.

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PROPOSED EVIDENCE

WITNESSES

Larry Scott, Practical

Oilman and Petroleum Engineer

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ESTIMATED TIME

EXHIBITS

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30 minutes

PROCEDURAL MATTERS

Lynx Petroleum Consultants Inc. has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

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Ocean Munds-Dry Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 (505) 983-6043 Facsimile

ATTORNEY FOR Lynx Petroleum Consultants Inc.

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