

JAN
CONFIDENTIAL

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

CASE NO. 11686

**APPLICATION OF LOUIS DREYFUS NATURAL
GAS CORP. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by LOUIS DREYFUS NATURAL GAS CORP. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Louis Dreyfus Natural Gas Corp.
14000 Quail Springs Pkwy
Oklahoma City, OK 73134
(405) 749-1300
attn: Mr. Russell Waters

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATEMENT OF CASE

Louis Dreyfus Natural Gas Corp. has a working interest ownership in the oil and gas minerals underlying the W/2 of Section 29, T22S, R26E, NMPM, Eddy County, New Mexico.

Louis Dreyfus Natural Gas Corp. has proposed to the other working interest owners that this well be drilled and completed for potential production from any formation from the surface to the base of the Morrow formation to be dedicated to a 320-acre gas spacing and proration unit consisting of the W/2 of said Section for production from any formation spaced on 320-acres and for the NW/4 of said Section for any production from any formations/pools spaced on 160-acres.

NMOCD CASES 11686

Louis Dreyfus Natural Gas Corp.

Page 2

Despite its good faith efforts, Louis Dreyfus has been unable to obtain a written voluntary agreement from all of the working interest and or mineral interest owners. Therefore, Louis Dreyfus needs an order of the Division pooling the identified and described mineral interests in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

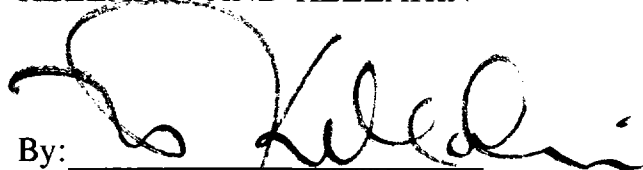
EST. TIME

EXHIBITS

Rusty Waters (landman)	10 Min	4 exhibits
Blaine Hess (landman)	10 Min.	6 exhibits
Jay Gabbard (petroleum engineer)	15 Min.	3 exhibits

PROCEDURAL MATTERS

KELLAHIN AND KELLAHIN



By: _____

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285