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

CASE NO. 11687

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

ATTORNEY

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

attn: Mr. Russell Waters

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 SW/4SE/4 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 Delaware formation to be dedicated to a 40-acre oil spacing and proration unit consisting of the SW/4SE/4 of said Section for production from any formation spaced on 40-acres.

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Despite its good faith efforts, Louis Dreyfus Natural Gas Corp. has been unable to obtain a written voluntary agreement from all of the working interest and or mineral interest owners. Therefore, Louis Dreyfus Natural Gas Corp. 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

Blaine Hess (landman) 10 Min. 6 exhibits Jay Gabbard 15 Min. 3 exhibits

(petroleum engineer)

PROCEDURAL MATTERS

KELLAHIN AND KELLAHIN

By: W. Thomas Kellahin

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