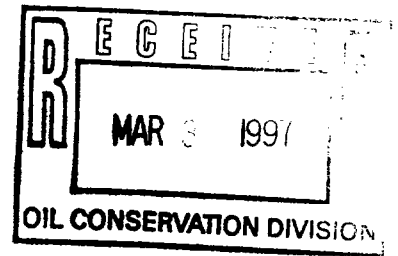


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF ARCO PERMIAN, A DIVISION OF
ATLANTIC RICHFIELD COMPANY, FOR AN
UNORTHODOX BOTTOMHOLE LOCATION
AND DIRECTIONAL DRILLING
EDDY COUNTY, NEW MEXICO.**



CASE NO. 11727

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator ("Hartman"), as required by the Oil Conservation Division and in Response to Arco Permian's Application for an Unorthodox Bottomhole Location and Directional Drilling, Eddy County, New Mexico.

APPEARANCES OF PARTIES

APPLICANT

Arco Permian, a Division of Atlantic
Richfield Co.
Midland, Texas

ATTORNEYS

William F. Carr
Campbell, Carr, Berge & Sheridan
Post Office Box 2208
Santa Fe, NM 87504-2208

OPPOSITION OR OTHER PARTY

Doyle Hartman and Margaret Hartman
d/b/a Doyle Hartman, Oil Operator
500 North Main
Midland, TX 79701
Contact: Doyle Hartman
(214) 520-6390

J.E. Gallegos
Michael J. Condon
Gallegos Law Firm
460 St. Michael's Drive, Bldg. 300
Santa Fe, NM 87505
(505) 983-6686

To Hartman's knowledge, no other party has entered an appearance or filed opposition in this matter.

PROPOSED EVIDENCE

The applicant, Arco Permian, has not yet served its Pre-Hearing Statement.

OPPOSITION OR OTHER PARTY

Hartman, an interested party, may present exhibits in opposition to Arco Permian's application depending on Arco Permian's Pre-Hearing Statement and the exhibits offered in support of the Application.

Hartman may call Doyle Hartman as a witness depending on Arco Permian's Pre-Hearing Statement and the testimony and exhibits offered in support of the Application.

Hartman anticipates each witness' testimony will take 15 minutes.

STATEMENT OF THE CASE

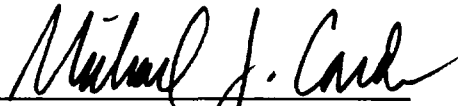
Hartman does not presently approve or oppose the application of Arco Permian for approval of an unorthodox bottomhole location and directional drilling for its Evelyn 36 State Com Well. A final decision on Hartman's position will be made once Hartman has an opportunity to review Arco Permian's Pre-Hearing Statement and the testimony and exhibits offered in support of the Application.

PROCEDURAL MATTERS

None.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By 

J.E. GALLEGOS

MICHAEL J. CONDON

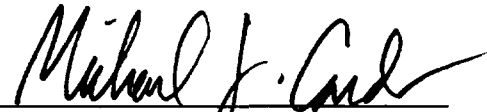
460 St. Michael's Drive, Bldg. 300
Santa Fe, New Mexico 87505
(505) 983-6686

Attorneys for Hartman

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing to be hand-delivered on this 5th day of March, 1997 to the following:

William F. Carr
Campbell, Carr, Berge & Sheridan
110 N. Guadalupe, Suite 1
Santa Fe, NM 87501


MICHAEL J. CONDON