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 THOMPSON ENGINEERING
& PRODUCTION CORP. FOR AN UNORTHODOX
GAS WELL LOCATION AND DOWNHOLE
COMMINGLING, LEA COUNTY, NEW MEXICO.   Case No. 11,865

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Maralex Resources, Inc. ("Maralex") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT   APPLICANT'S ATTORNEY

Thompson Engineering   William F. Carr
 & Production Corp.

OPPONENT   OPPONENT'S ATTORNEY

Maralex Resources, Inc.   James Bruce
P.O. Box 338   P.O. Box 1056
Ignacio, Colorado 81137   Santa Fe, New Mexico 87504
Attention: Mickey O'Hare   (505) 982-2043
(970) 563-4000

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Applicant seeks approval for an unorthodox gas well location in the Basin-Fruitland Coal Gas Pool for its Blancett Well No. 2R, located in the SE¼ of Section 13, Township 30 North, Range 12 West. Applicant also seeks authority to commingle Fruitland Coal and Pictured Cliffs production in the well.

Maralex is an offset operator. Completion of the well in the SE¼ of Section 13 will adversely affect Maralex's correlative rights, and Maralex requests that the unorthodox location be denied. If the location is approved, Maralex will request a

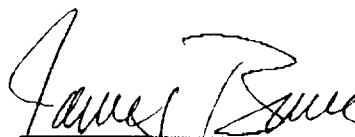substantial penalty on production.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Mickey O'Hare	20 min.	Approx. 5

OPPONENT

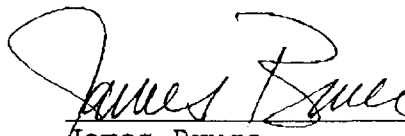| WITNESSES	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

-None-

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

Attorney for Maralex Resources, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was served upon the following counsel of record via facsimile transmission this 7th day of January, 1998:

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James Bruce

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