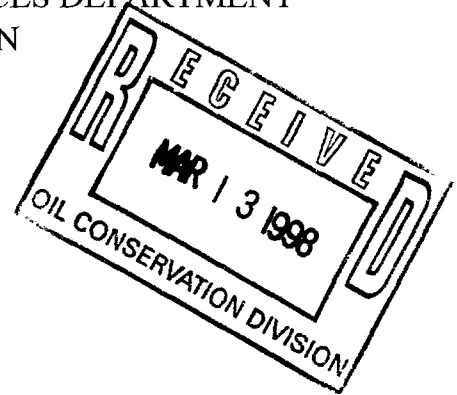


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF ENRON OIL & GAS COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE 11950

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Enron Oil & Gas Company
c/o Patrick Tower
Post Office Box 2267
Midland, TX 79702
(915) 686-3758

name, address, phone and
contact person

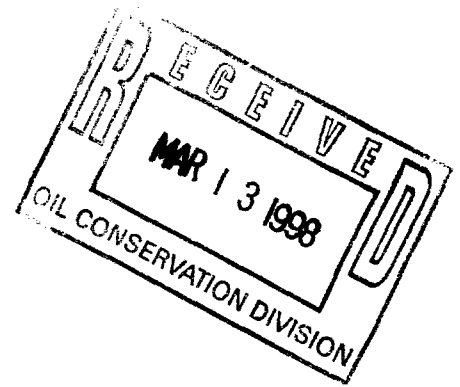
ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OTHER PARTY

name, address, phone and
contact person

ATTORNEY



STATEMENT OF CASE

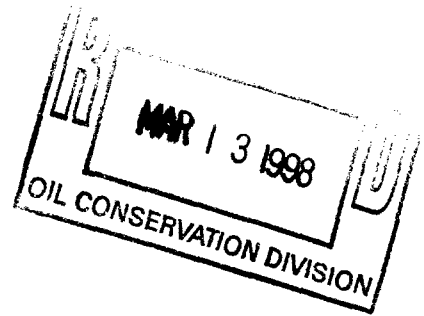
APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Enron Oil & Gas Company, applicant in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Chester formation, or a depth of 11,800 feet, underlying Lots 1, 2, 3 and 4, and the E/2 W/2 (W/2 equivalent) of Section 31, Township 17 South, Range 30 East, in the following described manner: Lots 1, 2, 3 and 4 and the E/2 W/2 forming a 310.56-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing; Lots 3 and 4 and the E/2 SW/4 for any and all formations and/or pools developed on 160-acre spacing; Lot 4 and the SE/4 SW/4 for any and all formations and/or pools developed on 80-acre spacing; and Lot 4 for any and all formations and/or pools developed on 40-acre spacing. Applicant proposes to dedicate these pooled units to its Sand Tank "31" Fed. Com Well No. 2 to be drilled at an unorthodox location 990 feet from the South line and 1200 feet from the West line of said Section 31. Said location was approved by Division Order No. NSL-3932 on January 14, 1998. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)



PROPOSED EVIDENCE

APPLICANT

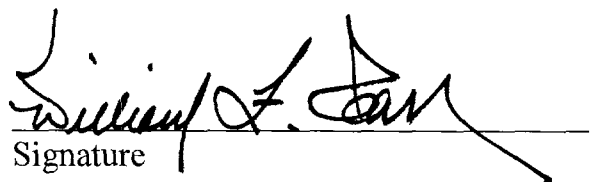
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Patrick J. Tower, Landman	10 Min.	Approximately 5
Barry Zinz, Geologist	10 Min.	Approximately 3
Randy Cate, Petroleum Engineer	10 Min.	Approximately 3

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature