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:

CASE NO. 12358

APPLICATION OF MARBOB ENERGY CORPORATION FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO.

OIL CONSERVATION UNIT

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

ATTORNEY

Marbob Energy Corporation Attn: Mr. Raye Miller P.O. Box 227 Artesia, NM 88211-0227 (505) 748-3303 William F. Carr, Esq.

Campbell, Carr, Berge & Sheridan, P.A.

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests below the base of the Atoka formation underlying the S/2 of Section 15, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate these pooled units to its Giles State Com. Well No. 1 to be drilled at a standard location 1900 feet from the South line and 660 feet from the East line of said Section 15 to a depth to test all formations to the base of the Morrow formation, Undesignated North Vacuum-Atoka-Morrow Gas Pool. Also to be considered will 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 risk involved in drilling said well. Said area is located approximately 9.5 miles southwest of Lovington, New Mexico.

OPPOSITION OR OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

EST. TIME **WITNESSES EXHIBITS** (Name and expertise)

Approx. 6

Raye Miller Approx. 15 min.

(Practical Oilman)

Martin Joyce Approx. 10 min. Approx. 3

(Geologist)

OPPOSITION

WITNESSES EST. TIME **EXHIBITS** (Name and expertise)

PROCEDURAL MATTERS

Marbob Energy Corporation has none at this time.

Signature Signature

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OF COMPENSION DIV.

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