

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests underlying the E/2 of Section 18, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in the following manner: all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated North-Illinois Camp-Morrow Gas Pool; all formations developed on 160-acre spacing underlying the SE/4; and all formations developed on 40-acre spacing underlying the SE/4 SE/4, which includes, but is not necessarily limited to, the undesignated Empire Abo Pool, the undesignated Artesia Queen-Grayburg-San Andres Pool, and the undesignated Red Lake Queen-Grayburg-San Andres Pool. Said spacing and proration units are to be dedicated to Fuel Products' proposed Illinois Camp 18 State #1 Well, to be drilled at standard location in the SE/4 (Unit P) of said Section 18. 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 risk involved in drilling said well. Said area is located approximately 10 miles Southeast of Artesia, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

Mark Nearburg
(Landman)

Approx. 10 min.

Approx. 7

Tom Beall
(Petroleum Engineer)

Approx. 10 min.

Approx. 5

Louis Mazzulo
(Petroleum Geologist)

Approx. 10 min.

Approx. 5

PROCEDURAL MATTERS

Motion of Phillips Petroleum Company to Dismiss Case No. 12427, Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico, filed June 27, 2000.



Paul R. Owen

ATTORNEY FOR APPLICANT FUEL
PRODUCTS, INC.