

**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. 12450

**APPLICATION OF OCEAN ENERGY RESOURCES, INC.
FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.
CO JUL 26 PM 12:58

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

Ocean Energy Resources, Inc.
4305 N. Garfield, Suite 237
Midland, TX 79705
(915) 683-3003

ATTORNEY

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

OPPOSITION OR OTHER PARTY

David Petroleum Corporation
Attn: Mr. Bill Owen
116 West First Street
Roswell, New Mexico 88201
(505) 623-1801

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

Applicant seeks an order approving a non-standard oil spacing and proration unit in the South Big Dog-Strawn Pool, comprised of the NW/4 SE/4 of Section 2, Township 16 South, Range 35 East. The unit will be dedicated to its Townsend "2" State Well No. 11, to be located at an orthodox oil well location. The unit is located approximately 4 ½ miles west of Lovington, New Mexico.

OPPOSITION OR OTHER PARTY

David Petroleum Corporation appears in this case in opposition to the Application filed by Ocean Energy Resources, Inc. and will request that the Application be denied.

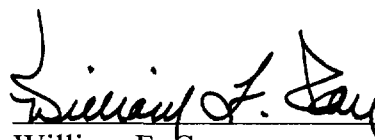
PROPOSED EVIDENCE

OPPOSITION OR OTHER PARTY

| WITNESSES | EST. TIME | EXHIBITS |
|------------------------------|------------------|-----------------|
| Keith McKamey (Geologist) | Approx. 10 Min. | Approx. 1 |

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr

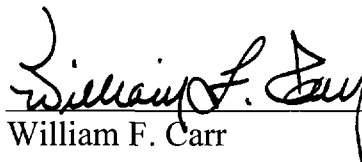
Attorney for David Petroleum Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of July, 2000, I have caused to be fax-delivered a copy of our Prehearing Statement in the above-captioned case to the following named parties:

Facsimile Number: (505) 982-2151

James Bruce, Esq.
P.O. Box 1056
Santa Fe, NM 87504

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr