

**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 V-F PETROLEUM INC. FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 12847

02/27/12 PM 1:15
OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

V-F Petroleum, Inc.
Attn: Mr. Tom Beall
Post Office Box 1889
Midland, Texas 79702

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988.4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in the following described spacing and proration units in Section 22, Township 20 South, Range 30 East as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Golden Lane-Strawn Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 or the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Dos Hermanos Yates-Seven Rivers Pool and the Undesignated P.C.A. (Yates) Pool. Said unit is to be dedicated to its Hale Federal Com Well No. 3 to be directionally drilled from an unorthodox surface location 1450 feet from the South line and 660 feet from the West line

to a previously approved unorthodox bottom hole location in the Morrow formation 950 feet from the North line and 760 feet from the West line of said Section 22 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of V-F Petroleum Inc. as operator of the well and a charge for risk involved in drilling the well. Said area is located approximately 17 miles South of Loco Hills, New Mexico.

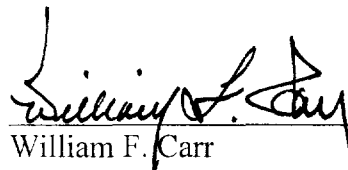
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Mark Nearburg (Landman)	Approximately 15 Minutes	Approximately 5
Louis J. Mazzullo (Geologist)	Approximately 15 Minutes	Approximately 4
Tom Beall (Petroleum Engineer)	Approximately 10 Minutes	Approximately 2

PROCEDURAL MATTERS

V-F Petroleum Inc. has none at this time.



William F. Carr
Attorney for V-F Petroleum Inc.

CERTIFICATE OF SERVICE

I certify that on April 12, 2002 I served a copy of the foregoing document to the following by

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U.S. Mail, postage prepaid

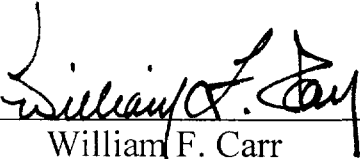
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Hand Delivery

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William F. Carr