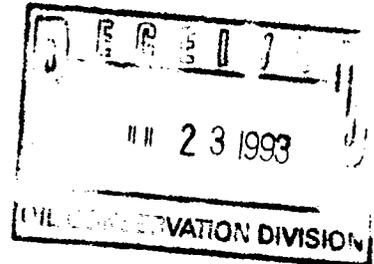


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 10776

APPLICATION OF DRUM ENERGY CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO



PRE-HEARING STATEMENT

This pre-hearing statement is submitted by the
Applicant as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Drum Energy Corporation

KAREN AUBREY
236 Montezuma Avenue
Santa Fe, NM 87501
(505) 982-4287

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Blinbry formation, underlying the SW/4 and or SE/4SW/4 Section 1980, T 19 S. R 38 East, forming a standard 160 or 40 acre gas or oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard location 1100 feet from the South line and 1980 feet from the West line of said section 35. Also to be considered will be the cost of drilling and completing the well, and the allocation of the cost thereof, as well as actual operating costs and charges

Pre-Hearing Statement
Case No. 10776
Page 2

for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling and completing said well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Joe Alexander Landman	20 Minutes	Area Map, tab- ulation of w.i.; corres- pondence, AFE JOA
David Mussett Geologist	20 Minutes	AFE, Net pay isopach, pro- duction map, Structure map

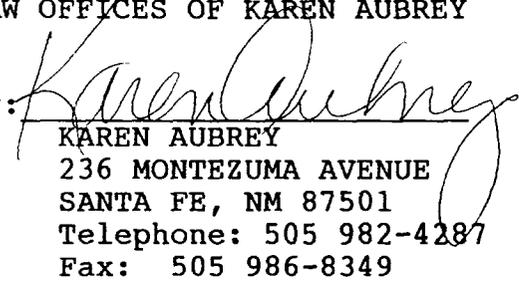
PROCEDURAL MATTERS

None at this time.

Pre-Hearing Statement
Case No. 10776
Page 3

LAW OFFICES OF KAREN AUBREY

By:



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