

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. 10,872

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR APPROVAL
OF A UNIT AGREEMENT, LEA COUNTY,
NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Santa Fe Energy Operating
Partners, L.P.
Suite 1330
500 West Texas
Midland, Texas 78701
(915) 687-3551
Attention: Curtis D. Smith

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Applicant requests approval of the Thistle Unit, a voluntary exploratory unit covering all of Sections 3, 4, 5, 8, 9 and 10 in Township 24 South, Range 33 East, all of which is State land. Applicant proposes to drill a well to test the Wolfcamp formation. Unitization will ensure orderly development of the Wolfcamp and other prospective reservoirs in this area.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Curtis D. Smith (Landman)	10 minutes	(a) Land Plat (b) Unit Agreement (c) Land Commissioner's preliminary approval (d) Ratifications (e) AFE
David White (Geologist)	10 minutes	(a) Structure map (b) Cross-section

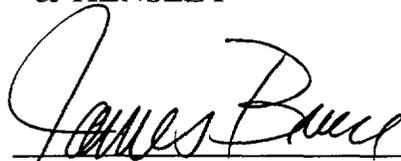
OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
-----------	-----------	----------

PROCEDURAL MATTERS

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Santa Fe Energy Operating
Partners, L.P.