

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

**APPLICATION OF HEC PETROLEUM, INC.  
FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO**

**CASE NO. 13302**

**APPLICANT'S PRE-HEARING STATEMENT**

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

**APPEARANCES OF PARTIES**

**APPLICANT**

HEC Petroluem, Inc.  
500 West Illinois  
Midland, TX 79701

**OPPONENT**

None.

**ATTORNEY**

Michael H. Feldewert, Esq.  
Holland & Hart LLP  
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**OPPONENT**

None.

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**APPLICANT'S STATEMENT OF CASE**

Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pennsylvanian formation in the E/2 of Section 7, Township 22 South, Range 27 East, N.M.P.M. to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320-acres within that vertical extent, which includes but is not necessarily limited to the Carlsbad Morrow Gas Pool. Said unit is to be dedicated to applicant's proposed Douglas Com. Well No. 2 to be drilled at a standard bottom hole gas well location in SE/4 (Unit P) of said Section 7, at a point 990 feet from the north line and 990 feet from the west line to a depth sufficient to test 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile south of Carlsbad, New Mexico.

**APPLICANT'S PROPOSED EVIDENCE**

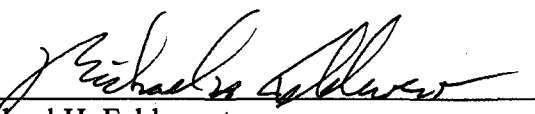
<b>WITNESSES</b> (Name and Expertise)	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Robert Ready (Land)	Approx. 15 Minutes	Approx. 6

**PROCEDURAL MATTERS**

No other party has entered an appearance at this time and applicant is not aware of any procedural issues at this time.

Respectfully submitted,

HOLLAND & HART, LLP

By:   
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