

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 HEC PETROLEUM, INC.
TO AMEND THE SPECIAL RULES AND
REGULATIONS FOR THE CINTA ROJA-MORROW
GAS POOL, LEA COUNTY, NEW MEXICO.

Case No. 13,300

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

HEC Petroleum, Inc.
500 West Illinois Avenue
Midland, Texas 79701

APPLICANT'S ATTORNEY

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

Attention: J. Robert Ready
(432) 498-8619

OPPONENT

Robert E. Landreth

OPPONENT'S ATTORNEY

J. Scott Hall

*by JBJ
7/8/04*

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order amending the special rules and regulations
for the Cinta Roja-Morrow Gas Pool to provide for 640 acre well
units, four wells per well unit with no more than one well per
quarter section, wells to be located no closer than 660 feet to a
quarter section line nor closer than 10 feet to a quarter-quarter
section line or subdivision inner boundary, and one operator per
well unit. The subject pool covers Sections 1, 8, 9, and 10,
Township 24 South, Range 35 East, NMPM.

OPPONENT

PROPOSED EVIDENCE**APPLICANT**

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|---------------------------|------------------|-----------------|
| Robert Ready (landman) | 10 min. | Approx. 3 |
| _____ (geologist) | 15 min. | Approx. 4 |
| _____ (engineer) | 15 min. | Approx. 5 |

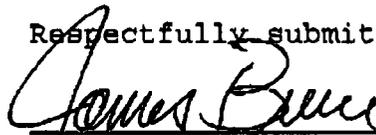
OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
|------------------|------------------|-----------------|

PROCEDURAL MATTERS

Opponent has filed a motion for a continuance, which is opposed by applicant.

Respectfully submitted,



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

Attorney for HEC Petroleum,
Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 5th day of July, 2004:

J. Scott Hall
Miller Stratvert P.A.
P.O. Box 1986
Santa Fe, New Mexico 87504
(505) 989-9857



James Bruce