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:

PM 2

CASE NO. 13335

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

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

Devon Energy Production Company, L.P.

James Bruce, Esq.

OPPOSITION

ATTORNEY

Mr. Raye Miller Marbob Energy Corporation Post Office Box 227 Artesia, New Mexico 88211-0227 (505) 748-3303 William F. Carr, Esq. Holland & Hart LLP 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 from the surface to the base of the Morrow formation underlying certain spacing units located in Section 3, Township 22 South, Range 27 East, NMPM for its proposed Esperanza 3E Fee Well No. 2 to



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be drilled as the infill well on the dedicated W/2 deep gas unit at a location in the SW/4 NW/4 of Section 3.

OPPOSITION:

Marbob and Pitch will appear and present testimony and exhibits that will show that it is a party to an operating agreement that governs their interests in the subject spacing well and units. Marbob and Pitch will review the past operations of Devon on these units and will ask to be dismissed from the pooling action because their interests a re already committed to this well and these spacing units.

PROPOSED EVIDENCE

<u>APPLICANT</u>

WITNESSES

ESTIMATED TIME

EXHIBITS

(Name and Expertise)

Raye Miller (Land)

Approx. 20 Minutes

Approx. 2

PROCEDURAL MATTERS

Marbob Energy Corporation has none at this time.

William F. Carr

Attorney for Marbob Energy Corporation

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CERTIFICATE OF SERVICE

I certify that on September 14, 2004 I served a copy of the foregoing document to the following by Facsimile to:

Devon Energy Production Company, L.P. c/o James Bruce, Esq. 369 Montezuma, No. 213 Santa Fe, New Mexico 87501 Fax No. (505) 982-2151

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