

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

IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF MARSHALL & WINSTON, INC.
FOR APPROVAL OF A NON-STANDARD OIL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 14,962

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Marshall & Winston, Inc. as required by the Oil Conservation Commission.

APPEARANCES

APPLICANT

Marshall & Winston, Inc.
P.O. Box 50880
Midland, Texas 79702

Attention: Kevin Hammit
(432) 684-7363

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 of Section 3, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 of Section 3 to form a non-standard 320-acre oil spacing and proration unit (project area) for all pools or formations developed on 160 acre spacing within that vertical extent, including the East Lusk-Bone Spring Pool. The unit is to be dedicated to the TJG Fed. Com. 3 Well No. 1H, a horizontal well with a surface location 400 feet from the south line and 330 feet from the east line, and a terminus 400 feet from the south line

and 330 feet from the west line, of Section 3. The surface and bottom hole locations are unorthodox under the special pool rules for the East Lusk-Bone Spring Pool. 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 for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

PROPOSED EVIDENCE

APPLICANT

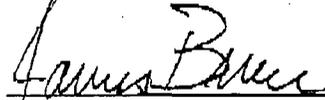
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kevin Hammit (landman)	15 min.	Approx. 8
Brent May (geologist)	15 min.	Approx. 4

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Marshall & Winston, Inc.