

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

2005 SEP 30 AM 10 18

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR THE  
PURPOSE OF CONSIDERING:

CASE NO. 13571

APPLICATION OF GRUY PETROLEUM  
MANAGEMENT COMPANY FOR AN UNORTHODOX  
GAS WELL LOCATION AND SIMULTANEOUS  
DEDICATION, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Gruy Petroleum Management Co.  
Attn: Zeno Farris  
600 E. Las Colinas Boulevard, Suite 1200  
Irving, Texas 75039  
(972) 443-6470

**ATTORNEY**

William F. Carr, Esq.  
Ocean Munds-Dry  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
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*WFC* *1375*

**STATEMENT OF CASE**

Applicant in the above-styled cause seeks authorization to simultaneously dedicate the non-standard 160-acre gas spacing and proration unit comprised of the SE/4 SE/4 of Section 10 and the NE/4 NE/4, and the S/2 NE/4 of Section 15, Township 26 South, Range 37 East, NMPM, to its Rhodes Federal Unit Well No. 153 (API No. 30-025-31797) located in Unit A at a standard location 990 feet from the North line and 660 feet from the East line of said Section 15 and its Rhodes Federal Unit Well No. 159 which it proposes to drill at an unorthodox gas well location 2110 feet from the North line and 460 feet from the East line (Unit H) of said Section 15.

**PROPOSED EVIDENCE**

**APPLICANT**

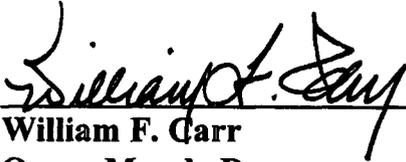
| <b>WITNESSES</b>         | <b>EST. TIME</b> | <b>EXHIBITS</b> |
|--------------------------|------------------|-----------------|
| Jon Tate (Landman)       | Approx. 15 min.  | Approx. 4       |
| Kim Nordstog (Geologist) | Approx. 25 min.  | Approx. 12      |

**PROCEDURAL MATTERS**

Gruy Petroleum Management Company will request that cases 13567, 13568, 13569, 13570, 13571 and 13572 be consolidated for hearing.

**PROCEDURAL MATTERS**

Gruy Petroleum Management Company has none at this time.

  
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**William F. Carr**  
**Ocean Munds-Dry**  
**Attorneys for Gruy Petroleum**  
**Management Company**