

**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 LATIGO PETROLEUM, INC.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 13,615

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Latigo Petroleum, Inc.
Suite 700
550 West Texas
Midland, Texas 79701

Attention: William F. Chatham
(432) 684-4293

APPLICANT'S ATTORNEY

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

OPPONENT

Brian Scarborough
Grand Banks Energy Company

OPPONENT'S ATTORNEY

Karen Aubrey

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 10, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico, and in the following manner: The S½ to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Anderson Ranch-Morrow Gas Pool; and the SE¼ to form a standard 160-acre gas spacing and proration unit for

1/30/06
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any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be designated to the existing State "10" Well No. 1, located 660 feet from the south line and 1980 feet from the east line of Section 10, which is to be re-entered. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

PURSUANT TO RULE 1207.A(2), THE CASE WILL BE SUBMITTED BY AFFIDAVT.

OPPONENT

WITNESSES

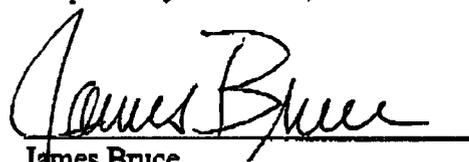
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



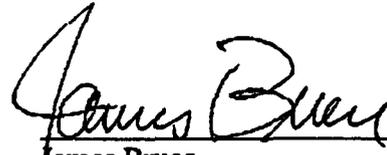
James Bruce
 Post Office Box 1056
 Santa Fe, New Mexico 87504
 (505) 982-2043

Attorney for Latigo Petroleum, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 30th day of January, 2006 by facsimile transmission:

Karen Aubrey
P.O. Box 8435
Santa Fe, New Mexico 87504
(505) 982-4287



James Bruce