STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION TO MINISTER 2 01

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

APPLICATION OF BASS ENTERPRISES PRODUCTION CO. FOR AN ORDER AUTHORIZING THE DRILLING OF A WELL IN THE POTASH AREA, EDDY COUNTY, NEW MEXICO.

Case No. 13,367 (de novo)

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR AN ORDER AUTHORIZING THE DRILLING OF A WELL IN THE POTASH AREA, EDDY COUNTY, NEW MEXICO.

Case No. 13,368 (de novo)

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR APPROVAL OF AN UNORTHODOX WELL LOCATION AND AUTHORIZATION TO DRILL A WELL IN THE POTASH AREA, EDDY COUNTY, NEW MEXICO.

Case No. 13,372 (de novo)

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Kenneth M. Smith as required by the Oil Conservation Commission.

APPEARANCES

APPLICANTS

Bass Enterprises Production Co. Devon Energy Production Company, L.P.

APPLICANTS' ATTORNEY

William F. Carr

OTHER PARTY

Kenneth M. Smith 267 Smith Ranch Road Hobbs, New Mexico 88240 (505) 887-3374

OTHER PARTY'S ATTORNEY

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

OPPONENT

Mosaic Potash Carlsbad, Inc.

OPPONENT'S ATTORNEY

Charles C. High, Jr.

STATEMENT OF THE CASE

APPLICANT

OTHER PARTY

Mr. Smith owns the surface and $1/4^{th}$ of the mineral interest in the SW¼NW¼ of Section 24, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico. He has leased his mineral interest to Devon Energy Production Company, L.P. for oil and gas exploration and development. He supports the drilling of oil and gas wells on his property, as proposed by Devon Energy Production Company, L.P. His property is not subject to a potash lease.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Kenneth M. Smith

10 min. (direct)

-None-

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

James Bruce

Host Office Box 1056

Respectfully submitted,

Santa Fe, New Mexico 87504

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Attorney for Kenneth M. Smith

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 25% day of May, 2006 by United States mail:

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