

**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 READ & STEVENS, INC.  
FOR COMPULSORY POOLING, CHAVES  
COUNTY, NEW MEXICO.**

**Case No. 13,797**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

Read & Stevens, Inc.  
Suite 1000  
400 North Pennsylvania  
Roswell, New Mexico 88201

Attention: Robert Watson  
(505) 622-3770

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

Pure Energy Group, Inc.

**OPPONENT'S ATTORNEY**

Ocean Munds-Dry

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 22, Township 11 South, Range 31 East, NMPM, and in the following manner: The E/2 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; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The

*WJB 10/24/06*

units are to be dedicated to the Manry-Elliott Well No. 2, to be drilled at an orthodox location in the SE/4NE/4 Section 22. 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.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

**THIS CASE WILL BE SUBMITTED BY AFFIDAVIT.**

OPPONENT

WITNESSES

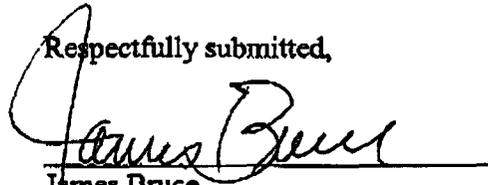
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



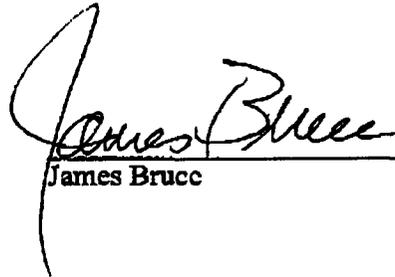
James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Read & Stevens, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 18<sup>th</sup> day of October, 2006 by facsimile transmission:

Ocean Munds-Dry  
Holland & Hart LLP  
P.O. Box 2208  
Santa Fe, New Mexico 87504  
(505) 983-6043

  
James Bruce