

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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
JAN 14 2004

RECEIVED

APPLICATION OF MACK ENERGY CORPORATION
TO AMEND COMPULSORY POOLING ORDER R-12006
TO INCLUDE ADDITIONAL OIL WELLS FOR EXISTING
40-ACRE SPACING AND PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

CASE NO. 13206

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement as required by the rules of the New Mexico Oil Conservation Division.

APPEARANCES

APPLICANT

Mack Energy Corporation

ATTORNEY

Michael H. Feldewert, Esq.
Holland & Hart, LLP
P. O. Box 2208
Santa Fe, NM 87504-2208
505/988-4421

APPLICANT'S STATEMENT OF CASE

Mack Energy seeks an order to amend pooling Order R-12006 to include additional oil wells for NW/4 SW/4 (Unit L) and the NE/4 SW/4 (Unit K) of Section 31, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Division Order R-12006 pooled the mineral interests in the SW/4 of said Section 31 to form the following standard 40-acre spacing and proration units:

The NW/4 SW/4 (Unit L), which is dedicated to the Panther Federal Well No. 1 located 1650 FSL and 330 FWL;

The NE/4 SW/4 (Unit K), which is dedicated to the Panther Federal Well No. 3 located 1650 FSL and 1650 FWL;

The SW/4 SW/4 (Unit M), which is dedicated to the Panther Federal Well No. 5 to be located 990 FSL and 990 FWL; and

The SE/4 SW/4 (Unit N), which is dedicated to the Panther Federal Well No. 6 to be located 990 FSL and 2310 FWL.

Mack Energy is the designated operator of these four standard 40-acre spacing units, and proposes to drill the following additional wells in the referenced spacing units:

The Panther Federal Well No. 2 in the NW/4 SW/4 (Unit L) at a standard location 2310 FSL and 990 FWL; and

The Panther Federal Well No. 4 in the NE/4 SW/4 (Unit K) at a standard location 2310 FSL and 2310 FWL.

Mack Energy has sought and been unable to obtain a voluntary agreement for the development of these lands from the Brooks Moleen Trust. Mack Energy requests that the Division amend Division Order R-12006 to include these additional two wells, and to impose a 200% risk penalty against the Brooks Moleen Trust pursuant to Division Rule 19.15.1.35.

APPLICANT'S PROPOSED EVIDENCE

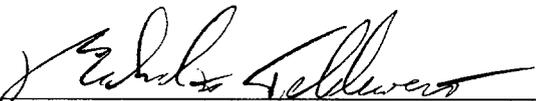
WITNESS (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Ronald W. Lanning, Landman	Approx. 10 minutes	Approx. 5

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

Michael H. Feldewert
P.O. Box 2208
Santa Fe, NM 87504-2208
505/988-4421
Attorneys for Mack Energy Corporation