

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 40-acre spacing in the NE/4 SE/4 of Section 34 Township 16 South, Range 38 East, NMPM. Said unit is to be dedicated to its W. W. Hamilton "A" Well No. 2 to be drilled at a standard location in the NE/4 SE/4 of said Section 34 to a depth sufficient to test all formations from the surface to the base of the Devonian formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Paladin Energy Corp. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles North of Hobbs, New Mexico.

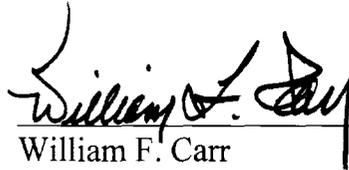
PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Rusty Rice (Landman)	Approx. 15 min.	Approx. 9

PROCEDURAL MATTERS

Paladin Energy Corp. has none at this time.



William F. Carr

Michael H. Feldewert

ATTORNEYS FOR PALADIN ENERGY CORP.