

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

IN THE MATTER OF THE HEARINGS CALLED  
BY THE OIL CONSERVATION DIVISION  
FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF TMBR/SHARP DRILLING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.	No. 12816
APPLICATION OF OCEAN ENERGY, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.	No. 12841
APPLICATION OF OCEAN ENERGY, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.	No. 12860
APPLICATION OF DAVID H. ARRINGTON OIL & GAS, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.	No. 12859

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Ocean Energy, Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Ocean Energy, Inc.  
Suite 1600  
1001 Fannin  
Houston, Texas 77002  
Attention: Derold Maney  
(713) 265-6897

APPLICANT'S ATTORNEY

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

OTHER PARTIES

TMBR/Sharp Drilling, Inc.  
David H. Arrington Oil & Gas, Inc.  
Yates Petroleum Corporation

OTHER PARTIES' ATTORNEYS

W. Thomas Kellahin  
J. Scott Hall  
William F. Carr

STATEMENT OF THE CASE

APPLICANT

Ocean Energy, Inc. ("Ocean") seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W $\frac{1}{2}$  of Section 25, Township 16 South, Range

35 East, NMPM, to form a 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing. A W $\frac{1}{4}$  unit is mandated due to geology and other factors routinely considered by the Division.

Ocean has filed two applications, one for a well in the NW $\frac{1}{4}$  of Section 25, and one for a well in the SW $\frac{1}{4}$  of Section 25. The NW $\frac{1}{4}$  is the preferred location for the well, and the application for the well in the SW $\frac{1}{4}$  was filed only due to questions raised by the Division over the right of an operator to drill on another party's lease.

Because the title to the NW $\frac{1}{4}$  of Section 25 is in dispute, Ocean has requested that funds be placed in escrow pending the resolution of the title dispute.

OPPONENT

TMBR/Sharp Drilling, Inc. has filed an application for a unit comprised of the N $\frac{1}{2}$  of Section 25.

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Derold Maney (landman)	20 min.	seven
Frank Massa (geologist)	10 min.	two
Robert Silver (geophysicist)	15 min.	three
<hr/> (engineer)	possible witness	

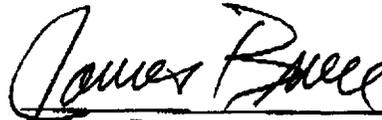
OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

Ocean requests that all cases be consolidated for hearing.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
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(505) 982-2043

Attorney for Ocean Energy Resources,  
Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 15<sup>th</sup> day of May, 2002:

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