

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 MERIT ENERGY COMPANY
FOR AN EXCEPTION TO DIVISION RULE
104.C.(2)(B), EDDY COUNTY, NEW MEXICO.

Case No. 13273

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Merit Energy Company
c/o Chi Energy, Inc.
Post Office Box 1799
Midland, Texas 79702

Attention: John Qualls
(432) 685-5001

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an exception to Division Rule 104.C.(2)(b) to allow the W¼ of Section 34, Township 21 South, Range 26 East, NMPM, to be simultaneously dedicated in the Strawn and Morrow formations to applicant's State Q Com. Well No. 1, located 2235 feet from the south line and 660 feet from the west line of the section, and the proposed State Q Com. Well No. 2, to be located 660 feet from the south line and 1980 feet from the west line of the section. Applicant also seeks approval for both wells to produce concurrently.

OPPONENT

PROPOSED EVIDENCE**APPLICANT****WITNESSES**

John Qualls
(landman/geologist)

EST. TIME

20 Min.

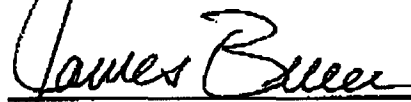
EXHIBITS

(a) land plat
(b) AFE
(c) isopach
(d) cross-section
(e) notice letter

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 Applicant

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

RECEIVED

MAY 25 2004

IN THE MATTER OF THE APPLICATION
OF MERIT ENERGY COMPANY FOR AN
EXCEPTION TO DIVISION RULE 104.C.(2)(b),
EDDY COUNTY, NEW MEXICO

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

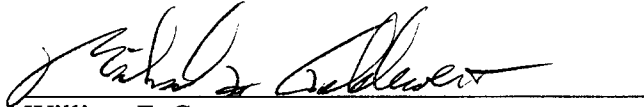
CASE NO. 13273

ENTRY OF APPEARANCE

HOLLAND & HART, LLP enters its appearance in the above-referenced case on behalf
of Devon Energy Production Company, L.P.

Respectfully submitted,

HOLLAND & HART, LLP



William F. Carr
Michael H. Feldewert
P.O. Box 2208
Santa Fe, NM 87501
505-988-4421

Attorneys for
Devon Energy Production Company, L.P.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on May 25, 2004, a copy of this Entry of
Appearance was mailed to the following:

James Bruce
P.O. Box 1056
Santa Fe, NM 87504


Michael H. Feldewert