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

2012 APR 18 P 3:36

IN THE MATTER OF THE APPLICATION OF LRE OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 14824

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by LRE Operating, LLC by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT:

LRE Operating, LLC

ATTORNEY:

Charles Regan 1111 Bagby Street Suite 4600 Houston, TX 77002 713-292-9510

Ernest L. Padilla Padilla Law Firm, P.A. P.O. Box 2523 Santa Fe, New Mexico 87504 (505) 988-7577

OPPOSITION OR OTHER PARTY:

(Unknown)

STATEMENT OF CASE

<u>APPLICANT:</u> Applicant seeks an order pooling all mineral interests from the surface of the earth to an approximate depth of 5,000 feet sufficient to test the Yeso formation with its Southern Union 30 State #1 Well, underlying the SW/4 of NE/4 of Section 30, Township 17 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. The subject well will be located approximately 6 miles southwest of Loco Hills, New Mexico.

OPPOSITION OR OTHER PARTY:

(Unknown)

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Charles Regan (Land Manager)

Ernest L. Padilla

EST. TIME

20 min.

EXHIBITS

Proposal correspondence, Summary of Contact/Responses, C-102, AFE, COPUS Overhead rates

Affidavit of Service

<u>OPPOSITION</u>

WITNESSES

(Unknown)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

None.

PADILLA LAW FIRM, P.A.

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ERNEST L. PADILLA LRE Operating, LLC PO Box 2523 Santa Fe, New Mexico 87504 505-988-7577