

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

APPLICATION OF MYCO INDUSTRIES, INC.,
FOR AN EXCEPTION TO DIVISION RULES
104.C(2)(b) AND (c), EDDY COUNTY, NEW
MEXICO.

Case No. 13469

APPLICANT'S PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by
the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Shari Darr Hodges
Myco Industries, Inc.
P.O. Box 840
Artesia, N.M. 88211
(505) 748-4290

ATTORNEY

Michael H. Feldewert
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504
(505) 988-4421
(505) 983-6043 facsimile

OPPONENT

None.

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None.

STATEMENT OF CASE

Applicant seeks an order granting an exception to Division Rules 104.C(2)(b) and (c) to allow two operators in all formations developed on 320-acres underlying the N/2 of Section 35, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, which presently includes but is not limited to the East Carlsbad-Wolfcamp and the East Carlsbad-Morrow Gas Pools, and to allow the simultaneous production from the East Carlsbad-Wolfcamp Gas Pool from the following wells located in the NE/4 of said Section 35: Delta's Reeves Federal Well No. 1 (API No. 30-015-21257) located in

Unit B at a standard gas well location 660 feet from the North line and 1980 feet from the East line, and applicant's Boise Federal Well No. 1 (**API No. 30-015-31648**) located in Unit H at a standard gas well location 1877 feet from the North line and 1312 feet from the East line. Well tests indicate there is only marginal production from the Morrow for this well and Myco therefore desires to re-complete the well in the Wolfcamp formation in order to salvage it. Myco has been in contact with all of the offset operators about this application and does not expect any opposition.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Bruce Stubbs (Engineer)	Approx. 15 minutes	Approx. 8

PROCEDURAL MATTERS

Myco is not aware of any procedural matters at this time.

Respectfully Submitted,

Holland & Hart LLP



Michael Feldewert
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 facsimile

Attorneys for MYCO Industries, Inc.