

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MYCO INDUSTRIES, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

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FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

RECEIVED

MAY 20 2003

Oil Conservation Division

CASE NO. 13071

CASE NO. 13072

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Myco Industries, Inc.
Attn: Shari Darr Hodges
Post Office Box 840
Artesia, New Mexico 88211-0840
(505) 748-1471

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

In Case No. 13071, Myco seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow Formation in the following described spacing and proration units located in the W/2 of Section 31, Township 21 South, Range 28 East, N.M.P.M: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool,

Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, Undesignated East Carlsbad-Wolfcamp Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Juneau "31" Fee Com Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 31. 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 MYCO Industries, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1.4 miles southwest mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

In Case No. 13072, Myco seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow Formation in the following described spacing and proration units located in the E/2 of Section 31, Township 21 South, Range 28 East, N.M.P.M: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, Undesignated East Carlsbad-Wolfcamp Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre; and the SE/4SE/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Panther City "31" Federal Com Well No. 1 to be drilled at a standard gas well location 882 feet from the South line and 660 feet from the East line (Unit P) of said Section 31. 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 MYCO Industries, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1.5 miles Southeast of mile marker 42..5 on Highway 62-180 east of Carlsbad, New Mexico.

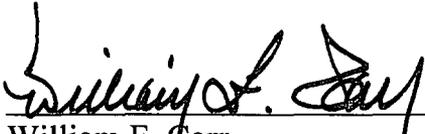
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Shari Hodges (Land)	Approx. 20 Minutes	Approx. 6
Brian Reed (Geologist)	Approx. 10 Minutes	Approx. 3

PROCEDURAL MATTERS

Myco Industries, Inc., will request that Cases 13071 and 13072 be consolidated for the purpose of Hearing



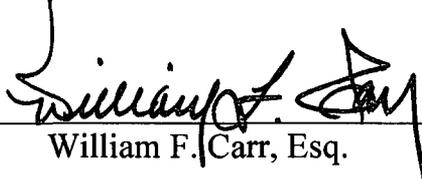
William F. Carr
Attorney for Myco Industries, Inc.

CERTIFICATE OF SERVICE

I certify that on May 20, 2003 I served a copy of the foregoing document to the following by

U.S. Mail, postage prepaid
Hand Delivery
Fax

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504
Facsimile No. 982-2151



William F. Carr, Esq.