

**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:**

**CASE NO. 13690**

**APPLICATION OF PRIDE ENERGY COMPANY  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

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

**APPEARANCES OF PARTIES**

<u>APPLICANT</u>	<u>ATTORNEY</u>
Pride Energy Company	James Bruce, Esq.
<u>OPPONENT</u>	<u>ATTORNEY</u>
Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118 (505) 748-1471	William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

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**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations of pools developed on 320-acre spacing within that vertical extent, including the Undesignated Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to

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the existing State "X" Well No. 1, located 1980 feet from the North line and 660 feet from the West line of Section 12, which is to be re-entered. Also to be considered will be the cost of re-entering and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in re-entering and completing the well. Applicant also requests that the order provide for the drilling of an infill well pursuant to Division rules. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

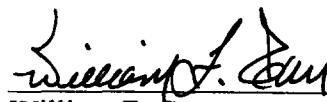
**PROPOSED EVIDENCE**

**APPLICANT**

<b>WITNESSES</b> (Name and Expertise)	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Charles Moran, Landman	Approx. 20 min.	Approx. 8

**PROCEDURAL MATTERS**

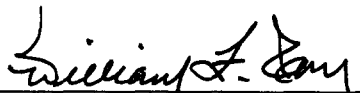
Yates is filing a motion to dismiss this application and requests that this motion be argued prior to any hearing on the merits of the application.

  
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William F. Carr  
Attorney for Yates Petroleum Corp.

**CERTIFICATE OF SERVICE**

I certify that on April 6, 2006 I served a copy of the foregoing Pre-Hearing Statement by facsimile on:

Pride Energy Company  
c/o James Bruce, Esq.  
369 Montezuma, No. 213  
Santa Fe, New Mexico 87501  
(505) 982-2151 facsimile.

  
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William F. Carr