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

RECEIVED

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

AUG 0 4 2003

APPLICATION OF UNIT PETROLEUM COMPANY FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO. OIL CONSERVATION DIVISION

Case No. 13124

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Unit Petroleum Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Unit Petroleum Company

P.O. Box 702500

Tulsa, Oklahoma 74170-2500

Attention:

Bobbie Thompson

(918) 477-4535

OPPONENT

OPPONENT'S ATTORNEY

APPLICANT'S A'ITORNEY

Post Office Box 1056

Santa Fe, New Mexico 87504

James Bruce

(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from approximately 11,920 feet subsurface to the base of the Morrow formation underlying the E% of Section 23, Township 20 South, Range 35 East, NMPM to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the West Osudo-Morrow Gas Pool. The unit is to be dedicated to applicant's Byers Well No. 1, to be drilled at an uncrthodox gas well location 2100 feet from the south line and 1600 feet from the east line (Unit J) of Section 23. Also to be considered will be the cost of drilling 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 charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSESEST. TIMEEXHIBITSBobbie Thompson10 min.Approx. 4

(landman)

10 min. Approx. 3

(geologist)

OPPONENT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce

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Santa Fe, New Mexico 87504

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Attorney for Unit Petroleum Company