

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

2006 SEP 7 PM 2 40

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

**APPLICATION OF UNIT PETROLEUM COMPANY
FOR COMPULSORY POOLING AND APPROVAL
OF A NON-STANDARD GAS SPACING AND PRORATION
UNIT, LEA COUNTY, NEW MEXICO.**

Case No. 13,781

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Unit Petroleum Company
Suite 101
407 North Big Spring
Midland, Texas 79701

Attention: Fred Schantz
(432) 685-9020

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043


OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 9, Township 20 South, Range 36 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, and a non-standard 320-acre gas spacing and proration unit in the Undesignated North Osudo-Morrow Gas Pool. The unit is to be dedicated to the Monument 9 Fed. Well No. 1, to be drilled in the SW/4SW/4 of Section 9. 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


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operator of the well, and a 200% charge for the risk involved in drilling and completing the well, as well as approval of the non-standard gas well unit.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Fred Schantz
(landman)

EST. TIME

15 min.

EXHIBITS

Approx. 5

OPPONENT

WITNESSES

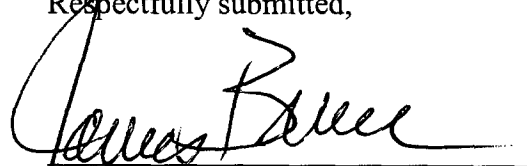
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

James Bruce
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Attorney for Unit Petroleum Company