

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

2006 DEC 5 PM 4 54

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

**APPLICATION OF JTD RESOURCES, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 13,839

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

JTD Resources, LLC
P.O. Box 3422
Midland, Texas 79702
(432) 682-3712

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Dan M. Leonard
(432) 682-3712

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

JTD Resources, LLC seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 23, Township 21 South, Range 32 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Hat Mesa-Morrow Gas Pool. The unit is to be dedicated to the Papa Joe "23" Fed. Well No. 1, to be drilled at an orthodox location in the NE/4NE/4 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 200% charge for the risk involved in drilling and completing the well.

JTD 12/5/06

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Dan M. Leonard
(landman)

15 min.

Approx. 5

IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE SUBMITTED BY
AFFIDAVIT.

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for JTD Resources, LLC