

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

DEC 5 PM 4 54

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

**APPLICATION OF PURVIS OPERATING CO.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 13,833

**APPLICATION OF PURVIS OPERATING CO.
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 13,834

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Purvis Operating Co.
P.O. Box 51990
Midland, Texas 79710

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

Case No. 13,833: Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Mississippian formation underlying the N/2 of Section 8, Township 15 South, Range 35 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 North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Pool. The unit is to be dedicated to the proposed Coyote State Well No. 1, to be drilled at an orthodox gas well location

WVJ 12/5/06

in the NW/4 of Section 8. 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.

Case No. 13,833: Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Mississippian formation underlying the S/2 of Section 8, Township 15 South, Range 35 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 North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Pool. The unit is to be dedicated to the proposed Armadillo State Well No. 1, to be drilled at an orthodox gas well location in the SW/4 of Section 8. 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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|-------------------------------|------------------|-----------------|
| Briggs Donaldson (landman) | 15 min. | Approx. 6 |
| Donnie Brown (engineer) | 15 min. | Approx. 4 |
| _____ (geologist) | 15 min. | Approx. 4 |

OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
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PROCEDURAL MATTERS

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

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

Attorney for Purvis Operating Co.