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

IN THE MATTER OF THE APPLICATION OF SAMSON RESOURCES COMPANY, KAISER-FRANCIS OIL COMPANY AND MEWBOURNE OIL COMPANY FOR CANCELLATION OF A DRILLING PERMIT AND APPROVAL OF A DRILLING PERMIT, LEA COUNTY, NEW MEXICO

CASE NO. 12492

IN THE MATTER OF THE APPLICATION OF CHESAPEAKE PERMIAN, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 13493 ORDER NO. R-12343-B DE NOVO

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf

of Kaiser-Francis Oil Company.

APPEARANCES

APPLICANT'S ATTORNEY

J. Scott Hall, Esq. Miller Stratvert P.A. Post Office Box 1986 Santa Fe, New Mexico 87504-1986

James Bruce, Esq. Post Office Box 1056 Santa Fe, New Mexico 87504

J. E. Gallegos, Esq. Michael Condon, Esq. 460 St. Michaels Drive, Suite 300 Santa Fe, New Mexico 87505 APPLICANT

Kaiser-Francis Oil Company

Mewbourne Oil Company

Samson Resources Company

Mickey R. Olmstead McElroy, Sullivan & Miller, LLP P. O. Box 12127 Austin, Texas 78711

Samson Resources Company

OPPONENT'S ATTORNEY

OPPONENT

Chesapeake Operating, Inc.

W. Thomas Kellahin, Esq. Kellahin & Kellahin 117 North Guadalupe Street Santa Fe, New Mexico 87501

John Cooney, Esq. Earl Debrine, Esq. Modrall Sperling Roehl Harris & Sisk P.A. Post Office Box 2168 Albuquerque, New Mexico 87103 Chesapeake Operating, Inc.

STATEMENT OF THE CASE

A consolidated Pre-Hearing Statement was filed on behalf of Samson Resources, Mewbourne Oil Company and Kaiser-Francis Oil Company on August 4, 2006 which sets forth a statement of the case. This pre-hearing statement is filed in order to identify the testimony of an additional witness for Kaiser-Francis who was unavailable to attend the August 10, 2006 hearing. Mr. Wakefield will present expert opinion and fact testimony regarding the analysis of engineering and geologic data and the decision to form a voluntary 320-acre stand-up unit comprised of the SE/4 and CE/4 of irregular Section 4, T21S R35E under a Communitization Agreement that was approved by the Commissioner of Public Lands on April 27, 2005.

PROPOSED EVIDENCE

KAISER-FRANCIS OIL COMPANY

WITNESSES:

Jim Wakefield (Petroleum Engineer)

Est. Time	No. of Exhibits
1	1
20 minutes.	-0-

2

MILLER STRATVERT P.A.

By:

1. I win -l

J. Scott Hall Attorneys for Kaiser-Francis Oil Company Post Office Box 1986 Santa Fe, New Mexico 87504-1986 (505) 989-9614

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of

record on the 25th day of September, 2006, as follows:

Thomas Kellahin, Esq. Post Office Box 2265 Santa Fe, New Mexico 87504 (505) 982-2047/Facsimile

James Bruce, Esq. Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2151/Facsimile

Earl E. Debrine, Jr., Esq. John Cooney, Esq. Modrall Sperling Roehl Harris & Sisk P.A. Post Office Box 2168 Albuquerque, New Mexico 87103 (505) 848-1891/Facsimile Cheryl O'Connor, Esq. New Mexico Oil Conservation Commission 1220 South St. Francis Drive Santa Fe, New Mexico 87504 (505) 476-3462/Facsimile

J. E. Gallegos, Esq. 460 St. Michaels Drive, Suite 300 Santa Fe, New Mexico 87505 (505) 983-6686/Facsimile

Mickey R. Olmstead, Esq. McElroy, Sullivan & Miller, LLP P. O. Box 12127 Austin, Texas 78711 (512) 327-6566/Facsimile

1. I wy da

J. Scott Hall

G:\Data\Clients\11375\35019\Pleadings\Pre-HearingStatement^092506.doc

3