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

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

APPLICATION OF CHARLES D. RAY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 13,872

AMENDED PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT Charles D. Ray P.O. Box 51608 Midland, Texas 79702

(432) 682-8602

OPPONENT

APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

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 W/2 of Section 29, Township 23 South, Range 34 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. The unit is to be designated to the TDS Well No. 1, to be drilled at an orthodox location in the NW/4 of Section 29. 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 BC Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

02/10/2007 01:41

<u>WITNESSES</u>

EST. TIME

EXHIBITS

IF THERE IS NO OPPOSITION THIS CASE WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Charles D. Ray