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 MARBOB ENERGY CORPORATION FOR AN ORDER AUTHORIZING THE DRILLING OF A WELL IN THE POTASH AREA, LEA COUNTY, NEW MEXICO.

CASE NO: 14026

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by Conservation Divisor the Oil Conservation Divison.

APPEARANCES OF PARTIES

APPLICANT

Raye Miller Marbob Energy Corporation 2208 W. Main Street Artesia, NM 88211-0227 (505) 748-3303

ATTORNEY

Ocean Munds-Dry Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order approving the drilling of its proposed Magnum Pronto State Com Well No. 2 to test the Morrow Formation, Lusk-Morrow Gas Pool within the Potash Area at a location 1980 feet from the South and West lines (Unit K) of Section 32, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. This well will be drilled to an approximate depth of 12,700 to test the Morrow formation. Said location is within the Potash Area and approximately 19 miles south southwest of Maljamar, New Mexico.

PROPOSED EVIDENCE

WITNESSES	ESTIMATED TIME	<u>EXHIBITS</u>
Brent May Petroleum Geologist	30	10
Ray Miller Petroleum Landman	30	10

PROCEDURAL MATTERS

Marbob Energy Corporation has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEY FOR

MARBOB ENERGY CORPORATION