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:

CASE NO. 11434

APPLICATION OF MERIDIAN OIL INC. FOR COMPULSORY POOLING AND AN UNORTHODOX GAS WELL LOCATION, SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr & Berge, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Meridian Oil Inc. Post Office Box 4289 Farmington, NM 87499 Attn: Alan Alexander (505) 326-9757

OPPONENT

Doyle and Margaret Hartman Post Office Box 10426 Midland, TX 79702 (915) 684-4011

ATTORNEY

W. Thomas Kellahin Kellahin & Kellahin Post Office Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285

ATTORNEY

Michael J. Condon 460 St. Michael's Drive, Bldg. 300 Santa Fe, New Mexico 87505 (505) 983-6686 Pre-hearing Statement NMOCD Case No. 11434 Page 2

OTHER PARTIES

Four Star Oil & Gas Company c/o Chuck Snure Post Office Box 46513 Denver, CO 80201 (303) 793-4511

name, address, phone and contact person

ATTORNEY

William F. Carr, Esq. Campbell, Carr & Berge, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Four Star opposes this application because the parties have validly pooled their interests in the E/2 of said Section 23. Four Star further opposes this application because Meridian failed to engage in reasonable negotiations with Four Star prior to filing this pooling application.

Pre-hearing Statement NMOCD Case No. 11434 Page 3

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

Four Star Oil & Gas Company's Motion to Dismiss.

Signature Signature

Pre-hearing Statement NMOCD Case No. 11434 Page 4

CERTIFICATE OF SERVICE

I hereby certify that on this day of January, 1996, I have caused to be telecopied and mailed a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record:

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

Attorney for Meridian Oil Inc.

Michael J. Condon, Esq. 460 St. Michael's Drive, Bldg. 300 Santa Fe, New Mexico 87505 (505) 986-0741

Attorney for Doyle and Margaret Hartman

William F. Carr