

STATEMENT OF CASE

(1) The southern portion of Irregular Section 1, T21S, R25E consists of 297.88 acres and is subject to a Joint Operating Agreement (AAPL form 1956), dated April 1, 1970, in which Fasken is the current operator and Mewbourne and others are working interest owners.

(2) This tract is proposed by both Fasken and Mewbourne as a non-standard gas proration and spacing unit for a well to be drilled to test for Morrow gas production in the Catclaw Draw-Morrow Gas Pool which provides for 640-acre spacing and wells not closer than 1650 feet to the outer boundary.

(3) Fasken seeks the approval of the Division of alternative proposed unorthodox locations: (a) one by Fasken and (b) another by Mewbourne.

(4) NMOCD Case 11723 involves a request by Mewbourne, as non-operator, for approval of an unorthodox gas well location 660 feet FSL and 2310 feet FEL of Irregular Section 1 which is currently set for hearing on March 6, 1997.

(5) NMOCD Case (number pending) involves a request by Fasken, as operator, for approval of an unorthodox gas well location 2080 feet FSL and 750 feet FWL of Irregular Section 1 which is currently set for hearing on April 3, 1997.

(6) Texaco, the operator of Section 12 to the south of Irregular Section 1, has entered its appearance in opposition to Mewbourne's request.

Because both proposals involve unorthodox well locations, the approval of alternative locations is necessary in order to assist the working interest owners in this proposed non-standard proration and spacing unit in their efforts to agree upon a first location to drill in this unit.

PROPOSED EVIDENCE

APPLICANT:

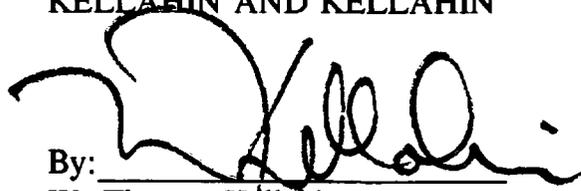
WITNESSES	EST. TIME	EXHIBITS
Sally Kvasnicka (landman)	10 min.	@ 5 exhibits
Dexter Harmon (geologist)	20 Min.	@ 6 exhibits
Mark Merritt (P.E.)	20 Min	@ 4 exhibits

PROCEDURAL MATTERS

Motion to Continue

Motion to Dismiss

KELLAHIN AND KELLAHIN



By: _____
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285