

**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:

THE APPLICATION OF
THRESHOLD DEVELOPMENT COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIV
59 DEC 10 AM 11:15

CASE NO. 12311

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Threshold Development Company
777 Taylor Street, PII-D
Fort Worth, TX 76102
Attn: Gary Tidmore
(817) 870-1483

name, address, phone and
contact person

ATTORNEY

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

OPPOSITION OR OTHER PARTY

Energen Resources Corporation
3300 North A Street, Building 4, Suite 100
Midland, TX 79705

ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson
P.O. Box 1986
Santa Fe, NM 87504-1986
(505) 989-9614

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from the surface to the base of the Wolfcamp formation, in N/2 of Section 28, Township 24South, Range 33 East, N.M.P.M. in the following manner: the N/2 for all formations/pools developed on 320-acre spacing, the NW/4 for all formations/pools developed on 160-acre spacing, the E/4 NW/4 for all formations/pools developed on 80-acre spacing, and the NE/4 NW/4 for all formations/pools developed on 40-acre spacing. Said units are to be dedicated to the State Com Well No. 1 to be drilled at a standard location in the NE/4 NW/4 of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles east-southeast of the intersection of Highway 128 with the Eddy-Lea County line, New Mexico.

OPPOSITION OR 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.)

PROPOSED EVIDENCE

APPLICANT

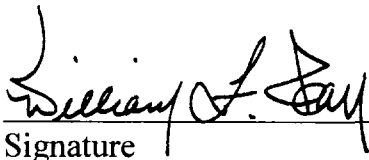
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Gary Tidmore (Landman)	Approx. 15 min.	Approx. 6
David White (Geologist)	Approx. 10 min.	Approx. 3

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
-----------------------------------	-----------	----------

PROCEDURAL MATTERS

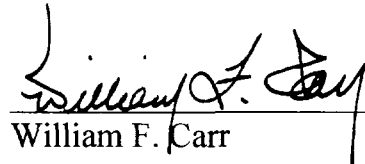
None at this time.


Signature

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of December, 1999, I have caused to be hand-delivered a copy of our Entry of Appearance in the above-captioned case to the following named parties:

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, PA
P.O. Box 1986
Santa Fe, NM 87504-1986



William F. Carr