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. 12343

E CARRELION DN.

APPLICATION OF JOHN H. HENDRIX CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

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 ATTORNEY

John J. Hendrix Corporation William F. Carr, Esq.

Attn: Dan Veirs Campbell, Carr, Berge & Sheridan, P.A.

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Midland, TX 79702-3040 Santa Fe, New Mexico 87504

(915) 684-6631 (505) 988-4421

name, address, phone and

contact person

OPPOSITION OR OTHER PARTY

Doyle Hartman, Oil Operator

J.E. Gallegos

P.O. Box 10426 Gallegos Law Firm, P.C.

Midland, TX 79702 460 St. Michael's Drive, Bldg. 300

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STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all oil and associated casinghead gas formations developed on 40-acre spacing from the base of the Grayburg formation to the base of the Drinkard formation in the NE/4 SW/4, of Section 34 Township 23 South, Range 37 East, N.M.P.M. Said units are to be dedicated to its Eva Blinebry "B" Well No. 1 to be drilled at a standard location in the NE/4 SW/4 of said Section 34 to a depth of approximately 6,400 feet to test all formations from the base of the Grayburg formation to the base of the Drinkard formation, Teague-Paddock-Blinebry Pool and the Undesignated Imperial Tubb-Drinkard Pool. 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 well is located approximately 12 miles south of Eunice, 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.)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS

(Name and expertise)

Michael L. Klein Approx. 15 min. Approx. 8

(Land and Petroleum Engineering)

Dan Veirs Approx. 15 min. Approx. 5

(Geology)

Ronnie H. Westbrook unknown at this time unknown at this time

(Engineering)

OPPOSITION

WITNESSES EST. TIME EXHIBITS

(Name and expertise)

PROCEDURAL MATTERS

There are none at this time.

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CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of February, 2000, I have caused to be delivered, a copy of our Entry of Appearance in the above-captioned case to the following named parties via the US Postal Service:

J.E . Gallegos, Esq. Gallegos Law Firm, P.C. 460 St. Michael's Drive, Bldg. 300 Santa Fe, NM 87505

William F. Carr