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. 12385

APPLICATION OF TEXACO EXPLORATION AND PRODUCTION, INC. FOR COMPULSORY POOLING CHAVES COUNTY, NEW MEXICO.

OL OUSSERVALON DV.

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

Texaco Exploration and Production, Inc. William F. Carr, Esq.

Attn: Mike Mullins Campbell, Carr, Berge & Sheridan, P.A.

P.O. Box 3109 Post Office Box 2208

Midland, TX 79702 Santa Fe, New Mexico 87504

(915) 688-4488 (505) 988-4421 name, address, phone and

OPPOSITION OR OTHER PARTY ATTORNEY

contact person

STATEMENT OF CASE

APPLICANT

Application of Texaco Exploration and Production Inc. for compulsory pooling, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the W/2 of Section 36, Township 15 South, Range 31 East, N.M.P.M., Chaves County, New Mexico, in the following manner: the W/2 for all formations and/or pools developed on 320acre spacing; the NW/4 for all formations/pools developed on 160-acre spacing; the S/2 NW/4 for all formations/pools developed on 80-acre spacing; and, the SE/4 NW/4 for all formations/pools developed on 40-acre spacing. Said units are to be dedicated to the Dulce "36" State Com No. 1 Well, to be drilled as a wildcat well at a standard location in the NW/4 of said Section 36. Also to be considered will be the cost of drilling and completing said well; the allocation of the cost thereof and of 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 7 miles North of Maljamar, 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.)

Pre-hearing Statement NMOCD Case No. 12385 Page 3

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

(Name and expertise)

Mike Mullins

Approx. 15 min.

Approx. 7

(Landman)

Mike Cervantes (Petroleum Geologist)

Approx. 10 min.

Approx. 3

OPPOSITION

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Texaco Exploration and Production, Inc. has none at this time.

William F. Carr

ATTORNEY FOR TEXACO EXPLORATION AND PRODUCTION,

INC.

Pre-hearing Statement NMOCD Case No. 12385 Page 4