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. 12444

APPLICATION OF MARBOB ENERGY CORPORATION FOR AMENDMENT OF THE SPECIAL RULES AND REGULATIONS FOR THE LUSK-MORROW GAS POOL, EDDY AND LEA COUNTIES, 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

Marbob Energy Corporation Attn: Mr. Raye Miller P.O. Box 227 Artesia, NM 88211-0227 (505) 748-3303 William F. Carr, Esq. Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 Pre-hearing Statement NMOCD Case No. 12444 Page 2

STATEMENT OF CASE

APPLICANT

Application of Marbob Energy Corporation for amendment of the Special Rules and Regulations fro the Lusk-Morrow Gas Pool, Eddy and Lea Counties, New Mexico. Applicant in the above-styled cause seeks amendment of the Special Rules and Regulations for the Lusk-Morrow Gas Pool to provide for up to four infill wells on each 640-acre spacing unit and well location requirements which provide for wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The Lusk-Morrow Gas Pool is located in Sections 1, 24 and 25 of Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico and Sections 9, 10, 15, 16 18, 19, 20, 21, 27, 28, 29, 30, and 32 of Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. Said pool is located approximately 14 miles south southeast of Maljamar, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Raye Miller (Practical Oilman)	Approx. 15 min.	Approx. 6
Martin Joyce (Geologist)	Approx. 10 min.	Approx. 5
Larry Scott (Engineer)	Approx. 10 min.	Approx. 4

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PROCEDURAL MATTERS

Marbob Energy Corporation has none at this time.

William F. Carr

Attorney for Marbob Energy Corp.