STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF SOUTHWESTERN ENERGY PRODUCTION COMPANY FOR COMPULSORY POOLING AND TWO NON-STANDARD GAS SPACING AND PRORATION UNITS, EDDY COUNTY, NEW MEXICO.

Case No. 12500

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as requested by the Oil Conservation Division.

APPEARANCE OF PARTIES

Applicant
Southwestern Energy
Production Company
Suite 300
2350 North Sam Houston Parkway East
Houston, Texas 77032

Attorney
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Samuel Glenn Thompson (282) 618-4719

Opposition or Other Party
Yates Petroleum Corporation
Sacramento Partners Limited Partnership

Marbob Energy Corporation William F. Carr

STATEMENT OF CASE

Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 31, Township 17 South, Range 28 East, NMPM, and in the following manner: Lots 1, 2, E%NW%, and NE% (the N% equivalent) to form a non-standard 327.09-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois Camp-Morrow Gas Pool; Lots 1, 2, and E%NW% (the NW% equivalent) to form a non-standard 167.09-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing

within that vertical extent, including the Undesignated Logan Draw-Wolfcamp Gas Pool; and the SEXNW% to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at an orthodox location in the SE%NW% of Section 31.

PROPOSED EVIDENCE

<u>Applicant</u>

| Witnesses | Est. Time | Exhibits |
|---------------------------------|-----------|--|
| Samuel Glenn Thompson (landman) | 10 min. | (1) Land plat(2) Correspondence(3) AFE |
| Jim Denny (geologist) | 10 min. | (1) Structure map (2) Isopach |

Opposition or Other Party

Witnesses Est. Time Exhibits

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Southwestern Energy Production Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was sent via facsimile transmission to the following counsel of record this 1010 day of February, 2001:

William F. Carr Holland & Hart and Campbell & Carr Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 983-6043