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. 12550 1

D NOTE: BAND

AM 5:07

APPLICATION OF TMBR/SHARP DRILLING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT TMBR/Sharp Drilling, Inc. c/o Dennis Hopkins Post Office Box 10970 Midland, Texas 79702 (915) 683.1049 (915) 683.1749 Fax ATTORNEY William F. Carr, Esq. Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988.4421 (505) 983.6043 Fax Pre-Hearing Statement NMOCD Case No. 12550 Page 2

STATEMENT OF CASE

<u>APPLICANT</u>

Applicant in the above-styled cause seeks an order pooling all mineral interests in the Atoka and Morrow formations developed on 320-acre spacing in the W/2 of Section 21, Township 18 South, Range 32 East, which includes, but is not necessarily limited to the Undesignated North Lusk-Morrow Gas Pool and the Undesignated Querecho Plains-Atoka Gas Pool. Said unit is to be dedicated to its Federal "21" Well No. 1 to be drilled at a standard location 1980 feet from the South line and 990 feet from the West line of Section 21 to a depth sufficient to test the Atoka and Morrow formations. 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 2.5 miles south of Maljamar, New Mexico.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Dennis Hopkins (Landman)	Approx. 15 Minutes	5
Mitch Cheney (Geology)	Approx. 10 Minutes	3

PROCEDURAL MATTERS

TMBR/Sharp Drilling, Inc. has none at this time.

William F. Carr by Mgs

Attorney for TMBR/Sharp Drilling, Inc.