

**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. 12795

**APPLICATION OF CHAPARRAL ENERGY,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chaparral Energy, Inc

ATTORNEY

James Bruce, Esq.
Post Office Box 1056
Santa Fe, New Mexico 87504-1056
(505) 982-2043
(505) 982-2151 (Facsimile)

OPPOSITION OR OTHER PARTY

Pride Energy Company
Attn: John Pride
Post Office Box 701602
2250 E. 73rd Street, #550
Tulsa, Oklahoma 74170-1602
(918) 524-9200
(918) 524-9292 (Facsimile)

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 (Facsimile)

STATEMENT OF CASE

APPLICANT

Applicant seeks an exception to Division Rule 104.C(3) for its existing Crosby Deep Well No. 1 (API No. 30-025-23891), to be recompleted up-hole into the Devonian formation at an unorthodox gas well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 25 South, Range 37 East. The SW/4 of Section 28 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Crosby-Devonian Gas Pool. This unit is located approximately two miles east of Jal, New Mexico.

OPPOSITION OR OTHER PARTY

Pride Energy Company owns working interest in the NW/4 of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, which is the acreage upon which the Chaparral Energy, Inc. Crosby Deep Well No. 1 (API No. 30-025-23891) will encroach when it is re-completed in the Devonian formation. Pride will appear in opposition to the application of Chaparral and request that, if the location is approved, a 50% production penalty be imposed on the well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(Name and expertise)

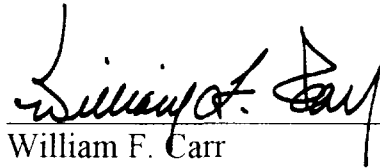
EST. TIME

EXHIBITS

Unknown at this time.

PROCEDURAL MATTERS

Pride Energy Company has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
Attorney for Pride Energy Company