

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

**IN THE MATTER OF THE APPLICATION OF
GREAT WESTERN DRILLING COMPANY FOR
COMPULSORY POOLING, LEA COUNTY, NEW
MEXICO.**

CASE NO. 12943

PREHEARING STATEMENT

GREAT WESTERN DRILLING COMPANY, Applicant herein, by and through counsel, Montgomery & Andrews, P.A., submits this prehearing statement as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Great Western Drilling Company
700 West Louisiana
Midland, Texas 79701

ATTORNEY

Paul R. Owen, Esq.
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873

OPPOSITION OR OTHER PARTY

David H. Arrington Oil & Gas, Inc.
Post Office Box 2071
Midland, Texas 79702

ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

William F. Carr, Esq.
Holland & Hart
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

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FILED

STATEMENT OF CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation under the following acreage in in Section 34, Township 15 South, Range 34 East: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not limited to the Edison North-Morrow Gas Pool; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations or pools spaced on 80 acres within this vertical extent which presently includes, but is not limited to, the undesignated North Edison Strawn Pool; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for any and all formations or pools spaced on 40 acres within this vertical extent which presently includes, but is not limited to, the Townsend Permo-Penn Pool. These spacing and proration units are to be dedicated to Applicant's proposed GWDC "34" Federal Well No. 1 to be drilled at a standard location 1700 feet from the South line and 950 feet from the East line in the SE/4 of said Section 34. Also to be considered will 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.

This case seeks the pooling of the same acreage as is the subject of case No. 12922, which was heard by the Division on September 5, 2002, in which David H. Arrington Oil & Gas, Inc. ("Arrington"), is the Applicant, and in which Arrington seeks to be named operator of the proposed well. The same well location is proposed in this case and in case No. 12922, and Applicant seeks pooling of the same formations as sought by Arrington in Case No. 12922.

OTHER PARTY

Applicant expects Arrington to contest the naming of Applicant as operator if the subject acreage is pooled. Applicant expects Yates Petroleum Corporation to support Application in the dispute over the proper party to be named operator.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

Michael Heathington
(Landman)

Approx. 30 min.

Approx. 5

Russell Richards
(Petroleum Geologist)

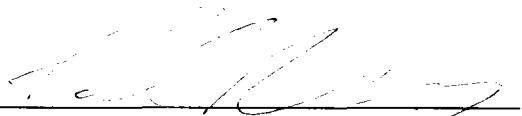
Approx. 30 min.

Approx. 4

OTHER PARTY

PROCEDURAL MATTERS

None known at this time.



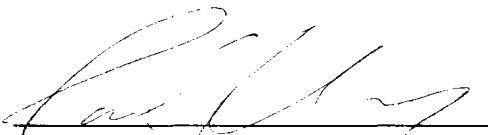
Paul R. Owen
ATTORNEY FOR GTREAT WESTERN
DRILLING COMPANY

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of October, 2002, I have caused a copy of our Prehearing Statement in the above-captioned case to be served via U.S. Mail upon the following:

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

William F. Carr, Esq.
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Santa Fe, New Mexico 87504-2208
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