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:

APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. CASE NO. 10317

JUN 0 - 1997

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by Campbell & Black, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

| APPLICANT | ATTORNEY | |
|---|----------------------|--|
| Santa Fe Energy Operating Partners, L.P. 550 W. Texas, Suite 1330Midland, Texas 79702Attn: Larry Murphy | William F. Carr, Esq | |
| (915) 687-3551name, address, phone and contact person | (505) 988-4421 | |
| OPPOSITION OR OTHER PARTY | ATTORNEY | |
| name, address, phone and contact person | | |

STATEMENT OF CASE

<u>APPLICANT</u>

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Santa Fe Operating Partners, L.P., applicant in the above-captioned case, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 17, Township 17 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Grayburg-Atoka Gas Pool, Undesignated North Grayburg-Atoka Gas Pool, and South Empire-Morrow Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. 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.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--------------------------------|-----------|-----------------|
| Larry Murphy, (Landman) | 10 Min. | Approximately 5 |
| Gene Davis, (Geologist) | 10 Min. | Approximately 3 |

OPPOSITION

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

Signature

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