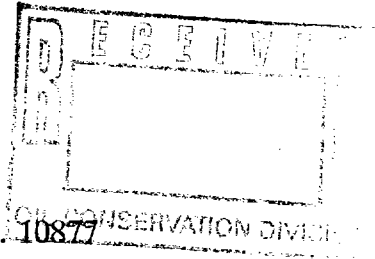


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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

CASE NO. **10877**



APPLICATION OF KLABZUBA OIL AND GAS
FOR AN UNORTHODOX OIL WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Klabzuba Oil and Gas
930 West First Street
Fort Worth, TX 76102
Attn: Greg Miller

(817) 336-5757 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr
Campbell, Carr, Berge & Sheridan
Post Office Box 2208
Santa Fe, New Mexico 87504

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

Klabzuba Oil and Gas, Applicant, seeks authority to drill its White "A" Well No. 1 at an unorthodox oil well location 598 feet from the North line and 1308 feet from the East line (Unit A) of Section 12, Township 10 South, Range 27 East, in the Devonian formation, Race Track-Devonian Pool. The NE/4 NE/4 of said Section 12 should be dedicated to the 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

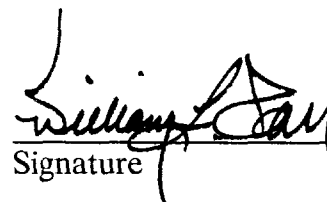
| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| Jim Barber, Geologist | 15 Min. | Approximately 5 |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
|-----------------------------------|-----------|----------|

PROCEDURAL MATTERS

Klabzuba request that this case be consolidated for the purpose of hearing with Case 10876.


Signature