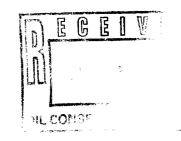
STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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



APPLICATION OF BASS ENTERPRISES PRODUCTION CO., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

No. 11022

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT ATTORNEY

Bass Enterprises Production Co. c/o J. Wayne Bailey 201 Main Street 3109 Fort Worth, TX 76102-3131 (817) 390-8400 name, address, phone and contact person

name, address, phone and

contact person

William F. Carr, Esq. Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

| OTHER PARTY | ATTORNEY |
|----------------------------|--|
| Phillips Petroleum Company | W. Thomas Kellahin, Esq Kellahin & Kellahin Post Office Box 2265 Santa Fe, New Mexico 87504-2265_ (505) 982-4285 |

Pre-hearing Statement NMOCD Case No. 11022 Page 2

STATEMENT OF CASE

APPLICANT

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

Bass Enterprises Production Co., applicant in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 12, Township 22 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Northeast Livingston Ridge-Atoka Gas Pool and Undesignated Cabin Lake-Morrow Gas Pool. Said unit is 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 the operator of the well and a charge for risk involved in drilling and completing said well.

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.)

Pre-hearing Statement NMOCD Case No. 11022 Page 3

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--------------------------------|-----------|-----------------|
| Wayne Bailey, Land | 10 Min. | Approximately 4 |
| Chris Gholston, Geology | 10 Min. | Approximately 3 |

OTHER PARTY

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

PROCEDURAL MATTERS

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

Signature