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 PENNZOIL EXPLORATION AND PRODUCTION COMPANY FOR AN UNORTHODOX LOCATION, LEA COUNTY, NEW MEXICO CASE NO. 10148

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by PENNZOIL EXPLORATION AND PRODUCTION COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

(name, address, phone and contact person)

ATTORNEY

Pennzoil Exploration & Production Company P.O. Box 2967 Houston, Texas 77252

Attn: Mr. Robert F. Blucher (505) 982-4285 (713) 546-6193

W. Thomas Kellahin KELLAHIN, KELLAHIN & AUBREY P.O. Box 2265 Santa Fe, New Mexico 87504

OPPOSITION OR OTHER PARTY (name, address, phone and contact person)

ATTORNEY

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STATEMENT OF CASE

APPLICANT

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

Applicant seeks approval of an unorthodox gas well location 1980 feet FNL and 990 feet FWL of Section 30, T19S, R34E for a well to be dedicated to the N/2 of said section and to be drilled at the unorthodox well location for geologic reasons. Applicant proposes to test for production from any 320 acre spaced gas pools including, but not limited to, the Quail Ridge Morrow Gas Pool.

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)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS

(name and expertise)

Bill Hollingshead 20 min. geologic displays (geologist)

OPPOSITION

WITNESSES EST. TIME EXHIBITS (name and expertise)

PROCEDURAL MATTERS

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

KELLAHIN, KELLAHIN & AUBREY

W. Thomas Kellahin Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285