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. 10219

APPLICATION OF HANLEY PETROLEUM INC. FOR COMPULSORY POOLING, LEA 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 Hanley Petroleum Inc | ATTORNEY W. Thomas Kellahin |
|---|---|
| | |
| | Post Office Box 2265 Santa Fe, New Mexico 87504 |
| | |
| | () |
| name, address, phone and contact person | |
| OPPOSITION OR OTHER PARTY | ATTORNEY |
| Harvey E. Yates Company | William F. Carr |
| c/o Melissa Randall | Campbell & Black, P.A |
| Post Office Box 1933 | Post Office Box 2208 |
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| contact person | |
| Santa Fe Energy Operating | James Bruce |
| | Hinkle, Cox, Eaton, Coffield & Hensley |
| | 500 Marquette, NW |
| | Albuquerque, New Mexico 87102 |
| Telephone: | Telephone: (505) 768-1500 |

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STATEMENT OF CASE

APPLICANT

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.)

Heyco will appear and present evidence in support of the application of Santa Fe Energy Operating Partners, L.P. We will present testimony which shows that if the reservoir is to be prudently developed, the application of Hanley must be denied.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES (Name and expertise)

EST. TIME

EXHIBITS

Larry Brooks, Geology

25 Min.

Approximately 5

PROCEDURAL MATTERS

Signature