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. 10238

APPLICATION OF MERIDIAN OIL INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MERIDIAN OIL INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT (name, address, phone and contact person)

ATTORNEY

Meridian Oil Inc.

P.O. Box 4289

Farmington, New Mexico 87499
Attn: Mr. Don Davis

(915) 686-5600

W. Thomas Kell
KELLAHIN, KELL
P.O. Box 2265
Santa Fe, New
(505) 982-428

W. Thomas Kellahin KELLAHIN, KELLAHIN & AUBREY P.O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285

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

ATTORNEY

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OIL CONSERVATION DIV.
SANTA FE

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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.)

Meridian Oil Inc. seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the SE/4SW/4 (Unit N) of Section 12, T18S, R31E, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon.

Meridian has sought the voluntary agreement of the owners of the non-consenting working interests for the formation of appropriate spacing and proration units, and has been unable to obtain voluntary agreement.

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 (name and expertise)	EST. TIME	EXHIBITS
Don Davis (landman)	30 Min.	Surface ownership map Tabulation of
Lee Catalano (geologist)	30 Min.	interest owners and percentages Operating Agreement AFE
Mo Gaddis (petroleum engineer)	30 Min.	Geologic maps Production maps

OPPOSITION

WITNESSES (name and expertise) EST. TIME EXHIBITS

PROCEDURAL MATTERS

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

KELLAHIN, KELLAHIN & AUBREY

W. Thomas Kellahin

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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: Compulsory Pooling, Eddy County, New Mexico

CASE NO. 10238

APPLICATION OF Meridian Oil Company

PRE-HEARING STATEMENT

This prehearing statement is submitted by Ernest L. Padilla, Esq. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Meridian Oil Inc.

(name, address, phone and contact person)

OPPOSITION OR OTHER PARTY

Yates Energy Corporation Post Office Box 2323 Sunwest Center, Suite 1010 Post Office Box 2523 Roswell, New Mexico (505) 623-4935

(name, address, phone and contact person)

ATTORNEY

Ernest L. Padilla PADILLA & SNYDER Santa Fe, N. M. 87504 (505) 988-7577

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OIL CONSERVATION DIV. SANTA FE

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STATEMENT OF CASE

APPLICANT

(Concise statement of what is being sought with this application and the reasons therefore.)

OPPOSITION OR OTHER PARTY

(Concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Appearance by counsel, Ernest L. Padilla, only.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise) EST. TIME EXHIBITS

Unknown.

OPPOSITION

WITNESSES

EST. TIME EXHIBITS

(Name and expertise)

No witnesses. Appearance by counsel, Ernest L. Padilla, only.

> PROCEDURAL MATTERS (Identify any procedural matters which need to be resolved prior to the hearing.)

> > Ernest L. Padilla