September 26, 2001

FAXED TO: 505-476-3462

Ms. Florene Davidson New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re:

NMOCD Docket No. 32-01 for 10-4-01

NMOCD Case No. 12734

Application of Richardson Operating Company

Establish a special "infill well" area

Basin Fruitland Coal Pool

San Juan County, New Mexico

Dear Ms. Davidson,

Attached is Dugan Production's pre-hearing statement for the captioned case.

To have this statement timely filed, we are sending by fax and will forward the original by regular mail.

Please let me know if you have any questions regarding this matter.

Sincerely,

John D. Roe

Engineering Manager

Julia O. Roe

JDR/tmf

attachment

CC:

John Dean

Tom Kellahin for Richardson Operating Company

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. 12734

APPLICATION OF: RICHARDSON OPERATING COMPANY TO ESTABLISH A SPECIAL "INFILL WELL" AREA WITHIN THE BASIN FRUITLAND COAL GAS POOL AS AN **EXCEPTION FROM RULE 4 OF THE SPECIAL RULES** FOR THIS POOL, SAN JUAN COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This prehearing statement is submitted by Thomas A. Dugan for Dugan Production Corp. as required by Oil Conservation Division Rule 1208.B.

APPEARANCES OF PARTIES

OPPOSITION OR OTHER PARTY

ATTORNEY

Dugan Productin Corp.

Representing himself

by Thomas A. Dugan, President

STATEMENT OF CASE

OPPOSITION OR OTHER PARTY

Dugan Production Corp. holds oil and gas leasehold interest within and adjacent to the area Richardson Operating Company has proposed as a special "infill well" area in the subject application. Since we are a party that may be affected by this application, we plan to attend the hearing and make an appearance for the record. At this time, we do not plan to present testimony and do not anticipate an active participation at the hearing.

Pre-hearing Statement NMOCD Case No. 12734 Page 2.

PROPOSED EVIDENCE

OPPOSITION OR OTHER PARTY

WITNESSES

EST. TIME

EXHIBITS

(Name and expertise)

Thomas A. Dugan,

None anticipated

None anticipated

President and

Petroleum Engineer

PROCEDURAL MATTERS

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

Thomas A. Dugan, President and owner of Dugan Production Corp. desires to represent himself on behalf of Dugan Production Corp. in this case. Mr. Dugan has a Petroleum Engineering Degree from the University of Oklahoma and is registered as a Professional Engineer in the State of New Mexico.

Thomas A. Dugan, President

Dugan Production Corp.

P. O. Box 420

Farmington, NM 87499-0420

Phone: (505)325-1821 e-mail: dugan@cptnet.com