

**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 SAN JUAN RESOURCES
OF COLORADO, INC. TO AMEND DIVISION
ORDER R-11926 TO INCLUDE SUBSEQUENT
OPERATIONS AND AN OPTIONAL "INFILL"
GAS WELL PROVISIONS (COMPULSORY POOLING)
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 13391

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by San Juan Resources of Colorado, Inc. as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

San Juan Resources of Colorado, Inc.

ATTORNEY

W Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, NM 87504
Phone 505-982-43285
Fax 505-982-2047

OPPONENT

Robert L. Mosley, et al.

ATTORNEY

J. Scott Hall, Esq.
Miller Law Firm
P. O. Box 1986
Santa Fe, NM 87504

STATEMENT OF THE CASE

San Juan Resources of Colorado, Inc., as applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order amending this compulsory pooling order to provide for subsequent operations and the inclusion of its Tecumseh Well No. 1-E, to be located in Unit L as a well subject to this compulsory pooling order that pooled all mineral interests from the based of the Pictured Cliffs formation to the base of the Dakota formation underlying the S/2 of Irregular Section 18, T30N, R11W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production such production.

Also to be considered will be the subsequent operations provisions and the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, and the continuing the designation of San Juan Resources of Colorado, Inc. as the operator of the well and a 200% charge for risk involved in this well.

Applicant has been unable to obtain a voluntary agreement from all of the working interest owners involved. With the exception of the Mosley Group, no other parties that are to be pooled have responded.

Robert L. Mosley, on behalf of the Mosley Group, has declined to sign a JOA, but instead desires to be a consenting parties pursuant to a compulsory pooling order and will elect to pre-pay their share of well costs as required by such an pooling order.

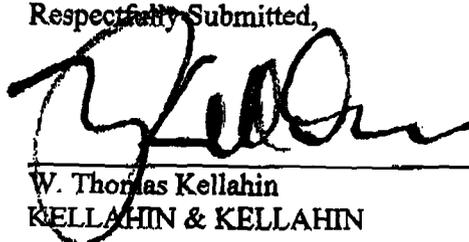
PROPOSED EVIDENCE

WITNESSES	EST. TIME	EST. EXHIBITS
Jerry McHugh, Jr. President and owner of San Juan Resources of Colorado, Inc.	30-45 minutes	@ 12

PROCEDURAL MATTERS

None

Respectfully Submitted,



W. Thomas Kellahin
KELLAHIN & KELLAHIN

CERTIFICATE OF SERVICE

On December 31, 2004, the undersigned cause to be delivered by facsimile a copy of this pleading to all counsel of record:

J. Scott Hall, Esq. 505-989-9857



W. Thomas Kellahin

2004 DEC 23 AM 11 16

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

**IN THE MATTER OF THE APPLICATION
OF SAN JUAN RESOURCES OF COLORADO, INC.
TO AMEND DIVISION ORDER R-11926
(COMPULSORY POOLING) TO INCLUDE
SUBSEQUENT OPERATIONS AND AN
OPTIONAL INFILL GAS WELL PROVISION,
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 13391

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of Robert L. Mosley, Janet Mosley, Leonard Mosley, Leona Mosley, Mary G. Mosley and Betty Nelms as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

San Juan Resources of Colorado, Inc.

APPLICANT'S ATTORNEY

W. Thomas Kellahin, Esq.
Post Office Box 2265
Santa Fe, New Mexico 87504

OPPONENT

Robert L. Mosley, et al.

OPPONENT'S ATTORNEY

J. Scott Hall, Esq.
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Santa Fe, New Mexico 87504-1986

STATEMENT OF THE CASE

Applicant seeks the amendment of compulsory pooling order No. R-11926 to incorporate "subsequent operations" provisions subsequent to the drilling and completion of the Tecumseh Well No. 1 and preparatory to the drilling of the proposed Tecumseh Well No. 1-E infill well.

OPPOSITION OR OTHER PARTY:

The unleased mineral interests of Robert L. Mosley, et al. were previously pooled for the subject gas spacing and proration unit prior to the drilling of the Tecumseh Well No. 1. Robert L. Mosley, et al. will appear at the hearing to obtain clarification of the operation of the proposed amendments to Order No. R-11926 and to establish that pooled parties and interest owners who went "non-consent" on the drilling of the Tecumseh No. 1 well will be afforded the opportunity to participate in the drilling of the Tecumseh No. 1-E and avoid the assessment of risk penalties.

PROPOSED EVIDENCE

WITNESSES:	Est. Time	No. of Exhibits
None on direct.		Approximately 6 for cross-examination of the Applicant's witnesses.

PROCEDURAL MATTERS

MILLER STRATVERT P.A.

By: J. Scott Hall
 J. Scott Hall
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 Attorneys for Bob L. Mosley, Janet Mosley, Leonard Mosley, Leona Mosley, Mary G. Mosley and Betty Nelms

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 23rd day of December, 2004, as follows:

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Gail MacQuesten
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J. Scott Hall

J. Scott Hall