

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

2005 FEB 11 AM 11 52

**IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION COMMISSION FOR THE  
PURPOSE OF CONSIDERING:**

**CASE NO. 13399**

**APPLICATION OF DUGAN PRODUCTION  
CORPORATION FOR AN UNORTHODOX COAL GAS  
LOCATION, SAN JUAN COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Dugan Production Corporation  
Attention: Kurt H. Fagrelus  
709 E. Murray Drive  
Post Office Box 420  
Farmington, New Mexico 87499  
(505) 325-1821

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks approval to drill its proposed Federal "I" Com Well No. 103 (API No. 30-045-32587) at an unorthodox coal gas well location within the W/2 equivalent of Section 12, Township 29 North, Range 14 West, being a standard 320-acre, more or less, stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629), 1775 feet from the North line

and 10 feet from the West line (Unit E) of Section 12. This unit is located approximately one mile west of the Four Corners Regional Airport in Farmington, New Mexico.

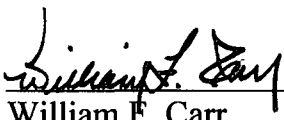
**PROPOSED EVIDENCE**

**APPLICANT**

<b>WITNESSES</b> <b>(Name and Expertise)</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Kurt H. Fagrelus (Geology)	Approx. 15 Minutes	Approx. 12

**PROCEDURAL MATTERS**

Dugan Production Corporation has none at this time.

  
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William F. Carr  
Attorney for Dugan Production Corporation