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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:**

**APPLICATION OF WILLIAMS PRODUCTION
COMPANY FOR SIMULTANEOUS DEDICATION,
SAN JUAN COUNTY, NEW MEXICO.**

Case No. 14719

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by San Juan Basin Resources, LLC ("San Juan") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Williams Production Company

APPLICANT'S ATTORNEY

Ocean Munds-Dry

OPPONENT

San Juan Basin Resources, LLC
Suite 10C
1499 Blake Street
Denver, Colorado 80202

OPPONENT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Sheryl A. Olson, CPL
(303) 573-6333

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Applicant seeks an order approving simultaneous dedication of its proposed Rosa Unit Well No. 242A (a horizontal well) with the existing Rosa Unit Well No. 242. The E/2 of Section 33, Township 32 North, Range 6 West, N.M.P.M. will be dedicated to the wells in the Fruitland Coal formation. The terminus of Well No. 242A well will be located 96 feet from the E/2 of Section 33, which is a communitized tract in which San Juan owns an interest.

The severely unorthodox location will drain Fruitland Coal reserves from San Juan's well unit, and adversely affect its correlative rights.

PROPOSED EVIDENCE

APPLICANT

| | | |
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| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
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OPPONENT

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| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
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|---------------------------|---------|-----------|
| Sheryl Olson (landman) | 15 min. | Approx. 4 |
|---------------------------|---------|-----------|

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| (geologist) | 15 min. | Approx. 4 |
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| (engineer) | 20 min. | Approx. 4 |
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PROCEDURAL MATTERS

Applicant has filed a motion to dismiss the case, to which San Juan is preparing a response.

Respectfully submitted,



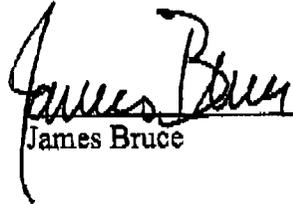
James Bruce
 Post Office Box 1056
 Santa Fe, New Mexico 87504
 (505) 982-2043

Attorney for San Juan Basin Properties,
 LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 28th day of July, 2011 via facsimile transmission:

Ocean Munds-Dry
Holland & Hart LLP
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Fax: 983-6043


James Bruce