

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

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

**APPLICATION OF LANCE OIL & GAS COMPANY, INC.
FOR COMPULSORY POOLING INCLUDING OPTIONAL
INFILL WELL PROVISIONS
RIO ARRIBA COUNTY, NEW MEXICO**

CASE NO. 13513

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Lance Oil & Gas Company, Inc. as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Lance Oil & Gas Company, Inc.
P. O. Box 70
Kirtland, New Mexico 87417
Attn: Anne Jones
Phone 505-598-5601
Fax: 505-598-6210

ATTORNEY

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285
Fax: 505-982-2047

OPPONENT

none

ATTORNEY

none

WVJ 8/27/05

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STATEMENT OF THE CASE

APPLICANT:

Lance Oil & Gas Company, Inc. seeks a compulsory pooling order pooling uncommitted mineral interest owners in a standard 160-acre and a 320-acre gas proration and spacing units consisting of the NW/4 and W/2 of Section 4, T29N, R13W for production from the Pictured Cliffs formation and Basin Fruitland Coal Gas Pool to be dedicated to its proposed FRPC "4" Well No. 1 (API #30-045-31995) located in Unit D of this section.

In addition, Applicant also seeks the inclusion of optional infill well provisions.

Also, the applicant also seeks a 200% risk charge pursuant to Commission's Order R-11992.

PROPOSED EVIDENCE

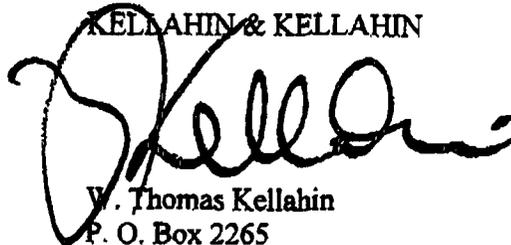
APPLICANT

| WITNESSES | EST. TIME | EST. EXHIBIT |
|------------------------|-----------|--------------|
| Paul Lehrman (Landman) | @ 20-min | @ 8 exhibits |

PROCEDURAL MATTERS

None at this time.

KELLAHIN & KELLAHIN



W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
Phone 505-982-4285
Fax 505-982-2047
E-mail: kellahin@earthlink.net