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 LEGEND NATURAL GAS III, LP FOR SPECIAL RULES AND REGULATIONS FOR THE NORTH HAY HOLLOW-BONE SPRING POOL, EDDY COUNTY, NEW MEXICO. 7013 SEP 12.041

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Legend Natural Gas III, LP

Suite 200

15021 Katy Freeway

Katy, Texas 77094

APPLICANT'S ATTORNEY

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Kendal Kuiper

(281) 644-5972

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order establishing special rules and regulations for the North Hay Hollow-Bone Spring Pool, including a special depth bracket allowable of 375 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The pool covers all or parts of Sections 12, 13, and 24-26, Township 25 South, Range 27 East, NMPM, and Sections 7, 17-20, 29, and 30, Township 25 South, Range 28 East, NMPM.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Aaron Thesman (landman)

10 min. Approx. 4

(geologist)

15 min. Approx. 6

(geologist)

20 Min. Approx. 4

OPPONENT

WITNESSES EST. TIME EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

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Attorney for Legend Natural Gas III,. LP