

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

**APPLICATION OF ENCANA OIL & GAS (USA) INC. FOR APPROVAL OF THE  
VENADO CANYON UNIT, SANDOVAL COUNTY, NEW MEXICO.**

**CASE NO. 15337**

**APPLICANT'S PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Encana Oil & Gas (USA) Inc. ("Encana"), as required by Division rules.

**APPEARANCES**

**APPLICANT**

Encana Oil & Gas (USA) Inc.

**ATTORNEY**

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Jordan L. Kessler  
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**STATEMENT OF THE CASE**

Encana Oil & Gas (USA) Inc. ("Encana") seeks on order approving the Venado Canyon Unit. The proposed Unit Area consists of approximately 4,320 acres of the following Federal and fee lands in Sandoval County, New Mexico:

**TOWNSHIP 22 NORTH, RANGE 6 WEST**

Section 1: S/2  
Section 10: NE/4, S/2  
Section 11: All  
Section 12: All

Section 13: All  
Section 14: All  
Section 15: N/2, SW/4  
Section 23: W/2  
Section 24: NE/4

Encana has met with the Bureau of Land Management and expects to receive preliminary approval of the Unit Agreement in advance of the hearing in this matter. Encana is the designated operator under the Unit Agreement and the unitized interval is the Mancos formation defined as 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the stratigraphic equivalent of the base of the Greenhorn Limestone as shown in the Double Ought No. 1 Well (30-043-20089) located in Unit N of Section 12, Township 22 North, Range 6 West, N.M.P.M.

The entire Unit Area will be developed and operated as a single Participating Area and the effective date pursuant to the Unit Agreement will be November 1, 2014. The Division's district office has informed Encana the Unit Area is located in or near the Lybrook Gallup Pool (42289), which is subject to the general statewide rules requiring oil wells to be located no closer than 330 feet to the outer boundary of a spacing unit. Approval of this Unit will allow for efficient horizontal well development patterns and is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

**APPLICANT'S PROPOSED EVIDENCE**

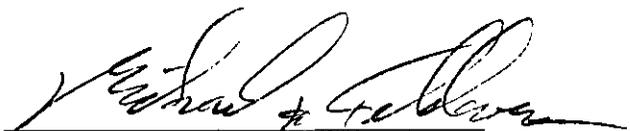
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Mona Binion, Petroleum Land Negotiator, Encana	Approx. 15 minutes	Approx. 5 Exhibits
Erik P. Graven, Petroleum Geologist, Encana	Approx. 10 minutes	Approx. 5 Exhibits

**PROCEDURAL MATTERS**

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert & Jordan L. Kessler", written over a horizontal line.

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**ATTORNEYS FOR ENCANA OIL & GAS (USA) INC.**