

**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:**

**CASE NO. 13766**

**APPLICATION OF WILLIAMS PRODUCTION  
COMPANY FOR TWO NON-STANDARD GAS  
PRORATION UNITS IN THE BASIN-DAKOTA  
POOL, 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**

Williams Production Company  
Attn: M. Vern Hansen  
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**ATTORNEY**

Ocean Munds-Dry, Esq.  
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2006 SEP 7 PM 3 12

WTH 9/11/06

**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an exception to the spacing provisions of the Basin-Dakota Pool (71599) allowing development of Dakota gas production on the same two spacing and proration units previously approved for the Blanco-Mesaverde Pool (72319) in Sections 8 and 17 of Township 32 North, Range 11 West, NMPM. These two spacing

units comprise the following lands: (1) E/2 W/2, W/2 E/2 of Section 17 containing 320 acres; (2) E/2 of Section 8 and E/2 E/2 of Section 17 containing 328.28 acres. Said area is located approximately 11 miles north of Aztec, New Mexico.

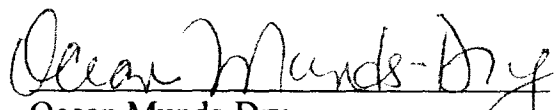
**PROPOSED EVIDENCE**

APPLICANT

| WITNESSES<br>(Name and Expertise) | ESTIMATED TIME  | EXHIBITS  |
|-----------------------------------|-----------------|-----------|
| M. Vern Hansen<br>Senior Landman  | Approx. 30 min. | Approx. 8 |

**PROCEDURAL MATTERS**

Williams Production Company has none at this time.

  
Ocean Munds-Dry  
Attorney for Williams Production Company