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

IN THE MATTER OF THE APPLICATION OF APACHE CORPORATION FOR APPROVAL OF SIMULTANEOUS DEDICATION, AN UNORTHODOX GAS WELL LOCATION, AND TWO OPERATORS ON A GAS WELL UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 13837

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller Stratvert P.A. (J. Scott Hall) on behalf of Kaiser-Francis Oil Company, as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

APPLICANT

James Bruce

Apache Corporation

Post Office Box 1056

Santa Fe, New Mexico 87504

INTERESTED PARTY'S ATTORNEY

INTERESTED PARTY

J. Scott Hall, Esq. Miller Stratvert P.A. Post Office Box 1986 Santa Fe, New Mexico 87504-1986 Kaiser-Francis Oil Company

STATEMENT OF THE CASE

APPLICANT

Applicant seeks approval to re-complete its North Bell Lake Fed. Well No. 3 as an infill well in an existing 640 acre gas spacing unit in the North Bell Lake-Devonian Gas Pool comprising all of Section 6, Township 23 South, Range 34 East, N.M.P.M., at an unorthodox location 1930' FNL and 660' FEL (Unit H) of Section 6. Applicant further seeks to simultaneously dedicate production from the North Bell Lake-Devonian Gas Pool in Section 6 to the North Bell Lake Fed. Well No. 3 and to Kaiser-Francis Oil Company's Bell Lake Unit Well No. 6, located 660' FSL and 1980' FEL (Unit O) of Section 6, and to allow applicant to operate the North Bell Lake Fed. Well No. 3.

PROPOSED EVIDENCE

WITNESSES:

Est. Time

No. of Exhibits

PROCEDURAL MATTERS

Kaiser-Francis Oil Company does not plan to present testimony or exhibits, but will offer a letter in support of the relief requested by Apache Corporation in this matter.

MILLER STRATVERT P.A.

By:

J. Scott Hall

Attorneys for Kaiser-Francis Oil Company

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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed or handdelivered to counsel of record on the 7th day of December, 2006, as follows:

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J. Scott Hall