

ROBERT M. ST. JOHN
JOSEPH J. MULLINS
MARK K. ADAMS
BRUCE HALL
JOHN P. SALAZAR
JOHN P. BURTON
REX D. THROCKMORTON
JONATHAN W. HEWES
RICHARD C. MINZNER
W. ROBERT LASATER, JR.
MARK C. MEIERING
CATHERINE T. GOLDBERG
TRAVIS R. COLLIER
EDWARD RICCO
W. MARK MOWERY
PATRICK M. SHAY
NANCY J. APPLEBY
ELLEN T. SKRAK
TRACY M. JENKS
HENRY M. BOHNHOFF
CHARLES K. PURCELL
ANDREW G. SCHULTZ
JOHN M. BRANT
SCOTT D. GORDON
DEWITT M. MORGAN
MARK A. SMITH
R. NELSON FRANSE
THERESA W. PARRISH
PAUL R. KOLLER
JAMES P. BIGG
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THOMAS L. STAHL
DAVID W. BUNTING
LESLIE MCCARTHY APODACA
SUSAN BARGER FOX
MacDONNELL GORDON
WILLIAM J. ARLAND
JAMES A. ASKEW
JEFFREY M. CROASDELL
SUNNY J. NIXON
JEFFREY L. LOWRY
DEBORAH E. MANN
R. TRACY SPROULS
DONALD B. MONNHEIMER
ALAN HALL
BRIAN H. LEMATTA
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THOMAS A. OUTLER
SETH L. SPARKS
NELSE T. SCHRECK
KARLA K. POE
LISA A. CHAVEZ
JOCELYN C. DRENNAN
MICHAEL J. BRESCIA
MICHELLE HENRIE
DEBORAH S. GILLE
AARON C. VIETS
KIMBERLY N. BELL
KURT B. GILBERT
BRENDA M. MALONEY
MATTHEW S. WERMAGER
LARRY J. MONTANO

RODEY, DICKASON, SLOAN, AKIN & ROBB, P. A.
ATTORNEYS AT LAW
315 PASEO DE PERALTA
SANTA FE, NEW MEXICO 87501

P.O. BOX 1357
SANTA FE, NM 87504-1357
WWW.RODEY.COM

TELEPHONE (505) 954-3900
FACSIMILE (505) 954-3942

September 12, 2003

OF COUNSEL
JACKSON G. AKIN
JOHN D. ROBB
JAMES C. RITCHIE
JO SEXTON BRAYER
ROBERT G. MCCORKLE
DAVID H. JOHNSON

BERNARD S. RODEY (1856-1927)
PEARCE C. RODEY (1889-1958)
DON L. DICKASON (1906-1999)
WILLIAM A. SLOAN (1910-1993)

OFFICES IN
ALBUQUERQUE AND WASHINGTON, DC

WRITERS DIRECT NUMBER
(505)

@RODEY.COM

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SEP 12 2003

Oil Conservation Division

HAND-DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Amended Application of El Paso Energy Raton, L.L.C. for Approvals of Non-Standard/Irregular Spacing Units and Certain Non-Standard Setbacks for Unorthodox Well Locations for Coalbed Methane Gas Wells and Any Other approvals Required for such Units, Setbacks and Wells in Colfax County, New Mexico.
Case No. 13097

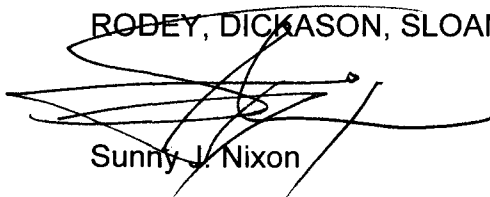
Dear Ms. Wrotenbery:

On behalf of El Paso Energy Raton, L.L.C., please find enclosed for filing the original and two (2) copies of El Paso Energy Raton, L.L.C.'s Amended Pre-Hearing Statement, along with the Certificate of Service.

We also enclose an extra copy of each of the above, which we ask be conformed with the NMOCD date and time stamp and returned to our courier. Thank you.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.


Sunny J. Nixon

SJN/tc

Enclosures

cc: Carsten F. Goff (w/encls.)
G. Kevin Cunningham (w/encls.)
Paul H. Dowden (w/encls.)

WVJ
9/12/03

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

RECEIVED

SEP 12 2003

Oil Conservation Division

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

CASE NO. 13097

**AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

AMENDED PRE-HEARING STATEMENT

This amended prehearing statement is submitted by Applicant El Paso Energy Raton, L.L.C. (El Paso), as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

El Paso Energy Raton, L.L.C.
Nine Greenway Plaza - Suite 1514
Houston, Texas 77046
(832) 676-3489 – Telephone
(832) 676-2010 – Facsimile

Paul Dowden, Contact Person
Landman
El Paso Energy Raton, L.L.C.
Nine Greenway Plaza – Suite 1514
Houston, Texas 77046
(832) 676-3489 – Telephone
(832) 676-2010 – Facsimile

ATTORNEY

Mark K. Adams
Sunny J. Nixon
P O Box 1357
315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile

G. Kevin Cunningham
Senior Counsel
El Paso Energy Raton, L.L.C.
Nine Greenway Plaza – Suite 1886
Houston, Texas 77046
(832) 676-7157 – Telephone
(832) 676-3869 – Facsimile

OPPOSITION OR OTHER PARTY

ATTORNEY

United States Department of the Interior
Bureau of Land Management
Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

El Paso Energy Raton, L.L.C. seeks approval from the N.M. Oil Conservation Division (OCD) of twenty-one (21) non-standard/irregular coalbed methane (CBM) gas spacing units and non-standard setbacks of 200 feet from certain boundaries of the spacing units for unorthodox well locations (as discussed, *infra*) within the spacing units to be located in the Raton Basin, Colfax County, New Mexico, more particularly described as located within projected Sections 3, 4 and 10, T29N, R18E, NMPM; projected Sections 21, 22, 23, and 24, T30 N, R17 E, NMPM; and projected Sections 29, 30, 32, and 33, T30N, R18E, NMPM, all within the Maxwell Land and Beaubien and Miranda Grants in Colfax County, New Mexico. This area is approximately 36 miles southwest of Raton, New Mexico.

The non-standard/irregular spacing units are necessary because of the irregular boundary line between El Paso's mineral interest and the mineral interest of the United States (U.S.) administered by the U. S. Forest Service and the U.S. Bureau of Land Management in the Carson National Forest.

The 200 feet setbacks will be from only the outer boundaries of the spacing units adjoining El Paso's mineral interests. Consistent with the OCD's Readvertisement of this case and the OCD's Administrative Order NSL-4251 of April 4, 1999 (Order) to PennzEnergy (predecessor-in-interest to El Paso of oil and gas (including CBM gas) mineral interests on the Vermejo Ranch described in the Order), El Paso would withdraw its request for the OCD's approval of these non-standard 200 feet setbacks for

unorthodox well locations assuming the OCD confirms that the Order applies to El Paso as the owner and operator of the CBM gas mineral interests on the Vermejo Ranch and determines that the Order (and in particular decretal paragraphs 2 through 6) permit El Paso to drill its 21 wells as unorthodox and without these 200 feet setbacks. This withdrawal would be conditioned upon the OCD's confirmation that these 21 wells could be drilled to any formation from the surface to the base of the Dakota formation (including from the top of the Raton coal seam to the base of the Vermejo coal seam) pursuant to the Order. Other conditions of the Order would also apply.

Setbacks from the outer boundaries adjoining the irregular boundary line with the United States will be standard 660 foot setbacks, consistent with the Order. The wells may be completed from the top of the Raton coal seam to the base of the Vermejo coal seam. Without the Order, the non-standard setbacks for unorthodox well locations are necessary to accommodate flexibility for rough terrain and the surface owner's decisions.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

The BLM's position is set forth in its June 6, 2003 letter to the OCD.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

Paul H. Dowden

Expertise is in petroleum land management, land ownership, oil, gas and mineral leasing, spacing units, well locations, surface owner determinations, pipelines, gas markets and other matters of expertise within the scope of duties of a principal landman.

EST. TIME

Direct testimony is estimated to be 45 minutes or less, subject to matters arising during this case.

EXHIBITS

Amended Application

Certificate and Supplemental Certificates of Mailing and Compliance with Division Rule 1207 (Order R-8054)

Charles M. Kinard

Expertise is in mechanical and petroleum engineering, including coalbed methane (CBM) gas production, operations, resources, and related matters, including within the Raton Basin, spacing units, well locations and drilling and other matters connected with CBM gas production and operations, transportation facilities for CBM gas and gas markets.

Direct testimony is estimated to be one hour or less, subject to matters arising during this case.

Special Warranty
Deed from
Vermejo Park
Corporation to
the USA, c/o
USFS, dated
12/30/81, filed for
record on
1/22/82, Colfax
Co., N.M.

Letter of 5/27/02
from Paul
Dowden to BLM
re Nomination of
Lands

Letter of 6/6/02
from BLM to
USFS re leasing
of Valle Vidal Unit

Letter of 8/21/02
from USFS
(Thornton) to
BLM re deferral
of leasing Valle
Vidal Unit

Memorandum
dated 2/21/03 of
USFS Regional
Geologist
(Linden) to
USFS Supervisor
re El Paso
Production
Company Valle
Vidal Oil and Gas
Leasing

Maps/plats
showing El
Paso's proposed
irregular spacing
units and non-
standard
setbacks

Map showing El
Paso's proposed
irregular spacing
units in relation to
El Paso's existing
wells and
potential well
locations

Map showing
flowlines and
gathering lines

Cross sections of
coal seams from
various wells in
area of
production related
to El Paso's
proposed
irregular spacing
units

Offset production
profiles

Water
volumetrics

Dewatering
curves and
profiles

Producing
pressure regime

Exhibit on
reasonable
market demand

Administrative
Order NSL-4251

El Paso reserves
the right to
introduce any
other exhibits
deemed
necessary, at its
discretion, as the
case progresses
and as dictated
by any
opposition.

OPPOSITION

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing.)

None at this time.

Respectfully submitted,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By 

Mark K. Adams
Sunny J. Nixon
P O Box 1357

315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile

Attorneys for Applicant, El Paso Energy Raton, L.L.C.

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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**AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
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FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused a true and correct copy of the foregoing

Amended Pre-Hearing Statement by El Paso Energy Raton, L.L.C. to be hand-delivered
to the following this 12th day of September, 2003:

Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
United States Department of the Interior
Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115
(505) 438-7458 – Facsimile

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SEP 12 2003
Oil Conservation Division

WVSJ
9/12/03

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By 

Sunny J. Nixon

P O Box 1357
315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile

Attorneys for Applicant, El Paso Energy Raton, L.L.C.