STATE OF NEW MEXICO RECEIVED ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION MAR 6 PM 4 01

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

CASE NO. 13812

APPLICATION OF COLEMAN OIL & GAS, INC FOR AMENDMENT OF ADMINISTRATIVE ORDER SWD-806-B, SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by Holland & Hart LLP as required by Oil Conservation Division Rule 19.15.14.1211.

APPEARANCES OF PARTIES

APPLICANT

Coleman Oil & Gas, Inc. Attn: Alan Emmendorfer 1610 Wynkoop Street, Suite 550 Denver, CO 80202 (303) 623-2401

RESPONDENT

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

ATTORNEY

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ATTORNEY

Mikal Altomare, Esq.
Oil Conservation Division
Energy, Minerals and Natural Resources
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STATEMENT OF CASE

Applicant in the above-styled cause seeks an order amending the provisions of Administrative Order SWD-806-B which authorized the completion of the Juniper SWD Well No. 1 (API No. 30-045-29732) located 880 feet from the North line and 730 feet from the West line (Unit D) of Section 16, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico for the

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injection of produced water for disposal purposes into the Mesaverde formation to allow it to reenter and deepen the Monument Well No. 1 (API No. 30-045-21912) located 1650 feet from the North line and 990 feet from the East line of Section 17 to be used for disposal purposes. Applicant also seeks to be allowed to continue injection operations in the Juniper SWD Well No. 1 while it obtains necessary permits and then re-completes the Monument Well No. 1.

PROPOSED EVIDENCE

APPLICANT

WITNESSES EST. TIME EXHIBITS

Alan Emmendorfer Approx. 20 min. Approx. 3

Petroleum Geologist

Mr. Emmendorfer will provide an overview of Coleman's planned operations in the Juniper SWD Well No. 1 and the Monument Well No. 1 and review the geological data for the Monument Well No. 1.

Michael Hanson Approx. 20 min. Approx. 15

Petroleum Engineering

Mr. Hanson will testify concerning the proposed procedure for re-entering and re-completing the Monument Well No. 1 as well as how it will operate and monitor the well. Mr. Hanson will also testify as to how Coleman complied with the Division order with respect to the Juniper well and how it is operating and monitoring the Juniper well. Mr. Hanson can also discuss the need for both disposal wells.

Paul Oldaker Approx. 20 min. Approx. 1 Hydrogeologist

Mr. Oldaker will provide updated information regarding the radius-of-influence study.

Brian Wood Approx. 15 min. Approx. 2

Permit Consultant

Mr. Wood will testify concerning the time table for obtaining surface access to the Monument Well No. 1 as well as the timing to obtain a federal permit.

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PROCEDURAL MATTERS

Coleman and the Respondent will file a joint motion limiting the scope of the hearing.

Ocean Munds-Dry

Attorney for Coleman Oil & Gas, Inc.

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EXHIBIT LIST

Exhibit No. 1: Overview Map

Exhibit No. 2: Juniper Area Type Log

Exhibit No. 3: Juniper Area La Ventana Stratigraphy

Exhibit No. 4: Plat

Exhibit No. 5: Timeline for Juniper SWD #1

Exhibit No. 6: Juniper SWD #1 Gas and Water Production

Exhibit No. 7: Summary of Intent/ Proposed Volume and Pressure for Juniper SWD #1

Exhibit No. 8: Juniper SWD #1 Wellbore Diagram

Exhibit No. 9: Juniper SWD #1 Monthly Flow Volumes

Exhibit No. 10: Juniper SWD #1 Monthly Surface Pressure

Exhibit No. 11: Juniper SWD #1 Tubing Casing Annulus BHP Reading/ Hall Plot

Exhibit No. 12: Type of Gauge: Pressure Transducer

Exhibit No. 13: Monument Well #1 Proposed Completion Procedure

Exhibit No. 14: Monument Well #1 Wellbore Diagram/ AFE

Exhibit No. 15: Monument Well # 1 Operations Plan

Exhibit No. 16: Monument Well # 2 information

Exhibit No. 17: Juniper SWD #1 Update to Area of Influence Report

Exhibit No. 18: New Well Drilling Permit Process Flow Diagram

Exhibit No. 19: October 23, 2007 BLM Letter

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CERTIFICATE OF SERVICE

I certify that on March 6, 2008, I served a copy of the foregoing document to the following by Hand Delivery.

Mikal Altomare, Esq.
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New Mexico Department of Energy,
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