

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

APPLICATION OF FASKEN OIL &
RANCH Ltd., FOR AN ORDER AUTHORIZING
AN ADDITIONAL WELL IN THE "POTASH AREA"
AT AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO

CASE NO. 14116

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PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement as required by the rules of the New Mexico Oil Conservation Division.

APPEARANCES

APPLICANT

Fasken Oil & Ranch Ltd.

ATTORNEY

Michael H. Feldewert, Esq.
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OPPONENT

OPPONENT'S ATTORNEY

APPLICANT'S STATEMENT OF CASE

Applicant seeks an order approving the drilling of its Laguna "16" State Well No. 2 at an unorthodox well location in the SE/4 NW/4 (Unit F) of Section 16, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. Fasken's Application for Permit to Drill (form C-101) was denied by the Division's district office after receiving an objection from Intrepid Potash. Fasken will show that there are at least nineteen well bores in Section 16 and that under Order No. R-12031, the Division has already determined that "it is highly unlikely that

commercial potash mining will take place in Section 16” because of the extensive oil and gas development in this Section. In addition, Intrepid Potash does not hold any leasehold interest in Section 16.

Fasken also seeks approval of an unorthodox well location 2030 feet from the West line, which is 610 feet from the adjoining E/2 spacing unit. This unorthodox location is necessitated by surface conditions and will result in a well bore located nearer the existing well bores in the NW/4 than would occur under a standard gas well location.

APPLICANT’S PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Jimmy D. Carlile, Landman	Approximately 10 minutes	Approximately 6
John Worrall, Geologist	Approximately 10 minutes	Approximately 4

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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