

**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 PURPOSES
OF CONSIDERING:**

CASE NO. 14308

**APPLICATION OF RSC RESOURCES LIMITED PARTNERSHIP
TO ALLOW TWO OPERATORS ON A WELL UNIT, EDDY 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

RSC Resources Limited Partnership

OPPONENT

Earl Baldrige
Three Span Oil and Gas, Inc
P.O. Box 51538
Midland, Texas 79710

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STATEMENT OF CASE

APPLICANT

Applicant seeks an order allowing it to drill and operate its proposed Lucky Wolf "30" Fed. Com. Well No. 2, a horizontal well in the Wolfcamp formation in Lot 3, NE/4 SW/4 and N/2 SE/4 (the N/2 S/2) of Section 30, Township 16 South, Range 28 East, NMPM. The NE/4 SW/4 of Section 30 will be simultaneously dedicated to the proposed well, to be operated by applicant, and to the existing Crow Flats Fed. Com Well No. 1, a vertical Wolfcamp well, located in the NE/4 SW/4 of Section 30, operated by Three Span Oil & Gas, Inc. The well units are located approximately 11 1/2 miles east-northeast of Artesia, New Mexico.

OPPONENT

Three Span objects to this application because Applicant has proposed a horizontal well that will cross too close to Three Span's vertical wellbore, the Crow Flats Fed Com Well No. 1. Drilling the lateral portion of Applicant's proposed Lucky Wolf 30 Fed Com Well No. 2 in such close proximity has the serious potential to cause damage to Three Span's wellbore. Moreover, if Applicant is allowed to drill the well as proposed, it will violate Three Span's correlative rights through drainage and cause waste.

PROPOSED EVIDENCE

OPPONENT

WITNESSES

Earl Baldrige,
Operations Engineer

ESTIMATED TIME

30 minutes

EXHIBITS

Approx. 5

PROCEDURAL MATTERS

Three Span has none at this time.


Ocean Munds-Dry
Attorney for Three Span Oil & Gas, Inc.

CERTIFICATE OF SERVICE

I certify that on April 9, 2009 I served a copy of the foregoing document to the following by e-mail and U.S. Mail:

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