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

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

APPLICATION OF SAN JUAN RESOURCES, INC. FOR COMPULSORY POOLING SAN JUAN COUNTY, NEW MEXICO CASE NO.14445 FOEIVED O

FIRST AMENDED PRE-HEARING STATEMENT

This first amended pre-hearing statement is submitted by San Juan Resources. Inc. as-required by the New Mexico Oil Conservation Division.

APPEARENCES OF THE PARTIES

APPLICANT

ATTORNEY

San Juan Resources, Inc.

W. Thomas Kellahin, Esq. 706 Gonzales Road Santa Fe, NM 87501 Phone 505-982-43285 Fax 505-216-2780

OPPONENT

ATTORNEY

NONE—no other pre-hearing statements filed

STATEMENT OF THE CASE

Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying a 320-acre standard spacing unit consisting of the E/2 of Section 24, T30N, R12W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the base of the Pictured Cliffs formation to the base Dakota formation, including but not limited to the Basin-Dakota Gas Pool and Blanco-Mesaverde Gas Pool. This unit is to

NMOCD Case 14445 San Juan Resources, Inc. First Amended Prehearing Statement Page 1 be dedicated its Blancett Ranch 24 Well No. 1 (API#30-045-33769) to be drilled at a previously approved unorthodox location in Unit H of this section for downhole commingled production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of San Juan Resources, Inc. as the operator of the well and a 200% charge for risk involved in this well. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

PROPOSED EVIDENCE

WITNESSES

EST. TIME

EST. EXHIBITS

BY AFFIDVIT the testimony for Jerry McHugh. Jr.
President and owner of San Juan Resources, Inc.

10 minutes

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PROCEDURAL MATTERS

Respectfully Submitted.

None

W. Thomas Kellahin

KELLAHIN & KELLAHIN

CERTIFICATE OF SERVICE

On March 29, 2010, the undersigned cause to be delivered by email a copy of this pleading to all counsel of record:

David K Brooks, Esq. OCD attorney for Examiner

W. Thomas Kellahin

NMOCD Case 14445 San Juan Resources, Inc. First Amended Prehearing Statement Page 2 STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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APPLICATION OF SAN JUAN RESOURCES, INC.

FOR COMPULSORY POOLING SAN JUAN COUNTY, NEW MEXICO

CASE NO. 14445

PRE-HEARING STATEMENT

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APPEARENCES OF THE PARTIES

APPLICANT

ATTORNEY

San Juan Resources, Inc.

W. Thomas Kellahin, Esq. 706 Gonzales Road Santa Fe, NM 87501 Phone 505-982-43285 Fax 505-216-2780

OPPONENT

ATTORNEY

NONE

STATEMENT OF THE CASE

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PROPOSED EVIDENCE

WITNESSES

EST. TIME

EST. EXHIBITS

Jerry McHugh. Jr.

President and owner of

San Juan Resources, Inc. (by affidavit)

10 minutes

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PROCEDURAL MATTERS

None

Respectfully Submitted,

W. Thomas Kellahin KELLAHIN & KELLAHIN

CERTIFICATE OF SERVICE

On March 22, 2010, the undersigned cause to be delivered by email a copy of this pleading to all counsel of record:

David K Brooks, Esq. OCD attorney for Examiner

W. Thomas Kellahin

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