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 PURPOSE OF CONSIDERING:

121

APPLICATION OF ENRE CORPORATION FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL DRILLING PROJECT, AND FOR THE PROMULGATION OF SUCH SPECIAL OPERATING RULES THEREFOR, RIO ARRIBA COUNTY, NEW MEXICO.

No. 11050

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

EnRe Corporation c/o Jeff Kirn 621 17th Street, Suite 1535 Denver, CO 80293 (303) 296-7553 name, address, phone and contact person

ATTORNEY

William F. Carr, Esq. Campbell, Carr, Berge & Sheridan, P.A. Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

OTHER PARTY

ATTORNEY

name, address, phone and contact person

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STATEMENT OF CASE

APPLICANT

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

EnRe Corporation, applicant in the above-styled cause, seeks to establish a high angle/horizontal directional drilling project in the Designated and Undesignated Boulder-Mancos Oil Pool comprising all of Section 22, Township 28 North, Range 1 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said project area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that the horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary oft the project area.

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.)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Jeff Kirn, Geologist	15 Min.	Approximately 5
Harvey Ashford, Petroleum Engineer	10 Min.	Approximately 1

OTHER PARTY

WITNESSES (Name and expertise) EST. TIME

EXHIBITS

PROCEDURAL MATTERS

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

Signature Signature