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LAW FIRM

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2014 OCT 23 P 2:55

October 23, 2014

Ms. Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

*Hand Delivered*

**Re: NMOCD Case No. 15224; Application of Sovereign Eagle, LLC for  
Compulsory Pooling, Roosevelt, County, New Mexico.**

Dear Ms. Bailey:

On behalf of Sovereign Eagle, LLC enclosed is the pre-hearing statement for the hearing to take place on October 30, 2014.

Thank you.

Very truly yours,

/s/

J. Scott Hall

Enclosure a/s

621771

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

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APPLICATION OF SOVEREIGN EAGLE, LLC  
FOR COMPULSORY POOLING, ROOSEVELT  
COUNTY, NEW MEXICO

Case No. 15224

**PRE-HEARING STATEMENT**

SOVEREIGN EAGLE, LLC, ("Sovereign"), provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

Sovereign Eagle, LLC

**APPLICANT'S ATTORNEY**

J. Scott Hall, Esq.  
Seth C. McMillan, Esq.  
MONTGOMERY & ANDREWS, P.A.  
P.O. Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873

**OPPONENT**

Yates Brothers

**OPPONENT'S ATTORNEY**

James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, NM 87504  
(505) 982-2043

**STATEMENT OF THE CASE**

Applicant seeks an order consolidating each of the 40-acre, 160-acre, and 320-acre spacing units within the N/2 of Section 26, Township 2 South, Range 29 East, NMPM, Roosevelt County, New Mexico as follows: the SE/4 NW/4 for all

formations developed on a 40-acre basis; the NW/4 for all formations developed on a 160-acre basis; and the N/2 for all formations developed on a 320-acre basis, including but not limited to the Montoya formation, Tule-Montoya Gas Pool (86442). Applicant owns certain working interests in and under the N/2 of Section 26 and has the right to drill thereon. Applicant proposes to dedicate the above-referenced pooled unit to its Stoltenberg No. 1 Well drilled vertically at an orthodox surface location 1650 feet from the north line and 2310 feet from the west line, within the SE/4 of the NW/4 of Section 26 (Unit F), to test any and all formations from the surface to the base of the Montoya formation within the spacing and proration units described above.

#### **PROPOSED EVIDENCE**

##### APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Mitch Krakauskas, Landman	30 min.	5
David Lanning, Petroleum Engineer	15 min.	4

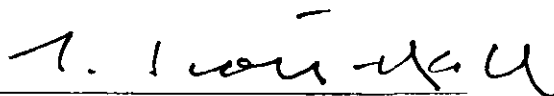
##### OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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#### **PROCEDURAL MATTERS**

Yates Brothers has requested a two week continuance because of witness unavailability. Sovereign Eagle wishes to proceed to hearing as schedule, but is willing to allow the record to remain open to allow Yates Brothers to present its witness on November 20, 2014..

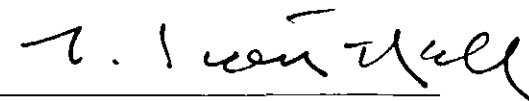
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Attorneys for Energen Resources Corporation

**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 23<sup>rd</sup> day of October, 2014.

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J. Scott Hall

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