

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:

RECEIVED

CASE NO. 13205  
FEB 16 2004

APPLICATION OF SAGA PETROLEUM, L.L.C.  
FOR AN UNORTHODOX INFILL GAS WELL  
LOCATION AND AN EXCEPTION TO DIVISION  
RULE 104.D(3), LEA COUNTY, NEW MEXICO.

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Saga Petroleum Corporation, L.L.C.  
Attn: Bonnie Husband  
415 W. Wall Street, Suite 835  
Midland, TX 79701  
(915) 684-4293

ATTORNEY

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an exception to Division Rule 104.d(3) in order to simultaneously dedicate production attributed to the Hobbs-Tub Gas Pool (96946) within an existing 160-acre standard shallow gas spacing unit comprising the SE/4 of Section 33, Township 18 South, Range 38 East, from the following two wells: (i) Conoco State Well No. 3 (API No. 30-025-35961) located at an unorthodox gas well location 2110 feet from the South line and 2055 feet from the East line (Unit J) of Section 33 (*approved by Division Administrative Order*

*NSL-4866, dated April 23, 2003*); and (ii) Conoco State Well No. 4 (API No. 30-025-24005) located at an unorthodox infill gas well location 688 feet from the South line and 2111 feet from the East line (Unit O) of Section 33. This 160-acre unit is located within the city limits of Hobbs with its southeast corner corresponding to the intersection of Marland Boulevard and Grimes Street.

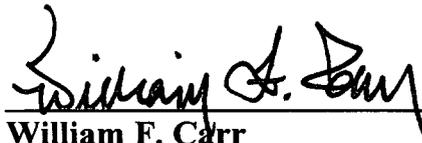
**PROPOSED EVIDENCE**

**APPLICANT**

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
Bonnie Husband (Land)	Approx. 15 minutes	Approx. 5
Joe Clement (Engineer)	Approx. 15 minutes	Approx. 8

**PROCEDURAL MATTERS**

Saga Petroleum has none at this time.



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William F. Carr  
Attorney for Saga Petroleum Corporation,  
L.L.C.