

**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 HEARING:**

**APPLICATION OF LANCE OIL & GAS COMPANY, INC.  
TO AMEND DIVISION ORDER R-11814 FOR  
COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO**

**CASE 13360**

*WVJ  
10/29/04*

**PRE-HEARING STATEMENT**

**Lance Oil & Gas Company, Inc. submits this pre-hearing statement as required by  
the New Mexico Oil Conservation Division.**

**APPEARANCES OF THE PARTIES**

**APPLICANT**

**Lance Oil & Gas Company, Inc.  
10999 185<sup>th</sup> Street, Suite 1200  
Denver, Colorado 80202  
Attn: Anne Jones  
505-598-6010(Ext. 62)**

**ATTORNEY**

**Thomas Kellahin, Esq.  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
505-982-4285**

**OPPONENT**

**none**

**ATTORNEY**

## STATEMENT OF THE CASE

### APPLICANT:

- (1) Effective October 1, 2004, Lance became the successor operator to Richardson Operating Company.
- (2) Richardson was a working interest owners in the oil and gas minerals underlying the W/2 of Section 21, T19N, R13W, NMPM, San Juan County, New Mexico that contains two existing wells:
  - a. The F-RPC "21" Well No. 3 (API# 30-045-31079) approved for downhole commingled production is located in the Unit E of this section and that approved the compulsory pooling of the SW/4 for Pictured Cliffs production and the W/2 for production from Basin Fruitland Coal Gas Pool and is subject to Division Order R-11814, dated August 16, 2002, Case 11855 but was only completed in the Pictured Cliffs formation;
  - b. The F-RPC "21" Well No. 2 (API # 30-045-31059) located in the NW/4 that was originally to be drilled to the Pictured Cliffs formation and was subject to a compulsory pooling order for that formation, Division Order R-11813, dated August 16, 2002, Case 11813, but was completed in and only produces from the Basin Fruitland Coal Gas Pool.
- (3) On August 4, 2004, Richardson, as the operator, sent to all unleased mineral interest owners and working interest owners a written well proposal, including an AFE, for the addition of the F-RPC "21" Well No. 2 as the coalbed gas well to be dedicated to the W/2 of Section 21.
- (4) Despite reasonable efforts, neither Richardson or Lane was unable to conclude a voluntary agreement with those parties listed on Exhibit "A"
- (5) Pursuant to Commission Order R-11992, effective August 15, 2003, Lance requests that the 200% risk charge be applied.
- (6) Lance requests that this application be processed in accordance with Division Rule 1607(A)(1)(b) and accordingly will submit it evidence by affidavit.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**

**EST. TIME**

**EST. EXHIBITS**

**Anne Jones, landman  
(by affidavit)**

**15 min**

**about 7**

**PROCEDURAL MATTERS**

**None**

**KELLAHIN & KELLAHIN**

A large, stylized handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the printed name and address.

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