

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION FEB 11 AM 11 52

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

CASE NO. 13399

APPLICATION OF DUGAN PRODUCTION
CORPORATION FOR AN UNORTHODOX COAL GAS
LOCATION, SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Dugan Production Corporation
Attention: Kurt H. Fagrelus
709 E. Murray Drive
Post Office Box 420
Farmington, New Mexico 87499
(505) 325-1821

ATTORNEY

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Santa Fe, New Mexico 87504
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STATEMENT OF CASE

APPLICANT

Applicant seeks approval to drill its proposed Federal "I" Com Well No. 103 (API No. 30-045-32587) at an unorthodox coal gas well location within the W/2 equivalent of Section 12, Township 29 North, Range 14 West, being a standard 320-acre, more or less, stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629), 1775 feet from the North line

and 10 feet from the West line (Unit E) of Section 12. This unit is located approximately one mile west of the Four Corners Regional Airport in Farmington, New Mexico.

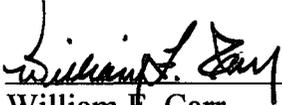
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Kurt H. Fagrelus (Geology)	Approx. 15 Minutes	Approx. 12

PROCEDURAL MATTERS

Dugan Production Corporation has none at this time.



William F. Carr
Attorney for Dugan Production Corporation