

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

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Oil Conservation Division

**IN THE MATTER OF THE APPLICATION OF
FASKEN OIL & RANCH LTD FOR AN ORDER
AUTHORIZING THE DRILLING OF A WELL
IN THE POTASH AREA, LEA COUNTY,
NEW MEXICO**

CASE NO. 13107

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement as required by the rules of the New Mexico Oil Conservation Division.

APPEARANCES

APPLICANT

Fasken Oil & Ranch Ltd.

ATTORNEY

Michael H. Feldewert, Esq.
Holland & Hart, LLP
P. O. Box 2208
Santa Fe, NM 87504-2208
505/988-4421

OPPONENT

IMC Potash Carlsbad, Inc.

OPPONENT'S ATTORNEY

Unknown

APPLICANT'S STATEMENT OF CASE

Applicant seeks an order authorizing the drilling of its proposed Laguna "16" State Well No. 1 at a standard gas well location in the SE/4 SE/4 (Unit P) of Section 16, Township 20 South, Range 32 East. Said location is within the Potash Area and is therefore governed by Division Order R-111-P. The Division's district office has denied Fasken's application to drill due to objections filed by IMC Potash Carlsbad, Inc. However, IMC does not hold a valid potash lease in Section 16, the area is devoid of potash operations, and existing well bores in Section 16 make potash mining unlikely in the foreseeable future. Fasken therefore seeks an

order from the Division authorizing the drilling of its proposed well so that it may test the Morrow sands underlying this state acreage.

APPLICANT'S PROPOSED EVIDENCE

<u>WITNESS</u> (Name and Expertise)	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Sally Kvasnicka, Landman	Approx. 10 minutes	Approx. 4
John Worrall, Geologist	Approx. 10 minutes	Approx. 6
Jeff Albers or another representative from the N.M. State Land Office	Approx. 5 minutes	Possibly 2

PROCEDURAL MATTERS

None.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

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Attorneys for Fasken Oil and Ranch Ltd