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SEP 12 2003

Oil Conservation Division

HAND-DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Amended Application of El Paso Energy Raton, L.L.C. for Approvals of Non-Standard/Irregular Spacing Units and Certain Non-Standard Setbacks for Unorthodox Well Locations for Coalbed Methane Gas Wells and Any Other approvals Required for such Units, Setbacks and Wells in Colfax County, New Mexico.
Case No. 13097

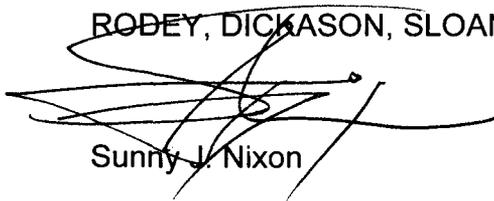
Dear Ms. Wrotenbery:

On behalf of El Paso Energy Raton, L.L.C., please find enclosed for filing the original and two (2) copies of El Paso Energy Raton, L.L.C.'s Amended Pre-Hearing Statement, along with the Certificate of Service.

We also enclose an extra copy of each of the above, which we ask be conformed with the NMOCD date and time stamp and returned to our courier. Thank you.

Very truly yours,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.



Sunny J. Nixon

SJN/tc

Enclosures

cc: Carsten F. Goff (w/encls.)
G. Kevin Cunningham (w/encls.)
Paul H. Dowden (w/encls.)

WVJ
9/12/03

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

RECEIVED

SEP 12 2003

Oil Conservation Division

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

CASE NO. 13097

AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.

AMENDED PRE-HEARING STATEMENT

This amended prehearing statement is submitted by Applicant El Paso Energy Raton, L.L.C. (El Paso), as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

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OPPOSITION OR OTHER PARTY

ATTORNEY

United States Department of the Interior
Bureau of Land Management
Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

El Paso Energy Raton, L.L.C. seeks approval from the N.M. Oil Conservation Division (OCD) of twenty-one (21) non-standard/irregular coalbed methane (CBM) gas spacing units and non-standard setbacks of 200 feet from certain boundaries of the spacing units for unorthodox well locations (as discussed, *infra*) within the spacing units to be located in the Raton Basin, Colfax County, New Mexico, more particularly described as located within projected Sections 3, 4 and 10, T29N, R18E, NMPM; projected Sections 21, 22, 23, and 24, T30 N, R17 E, NMPM; and projected Sections 29, 30, 32, and 33, T30N, R18E, NMPM, all within the Maxwell Land and Beaubien and Miranda Grants in Colfax County, New Mexico. This area is approximately 36 miles southwest of Raton, New Mexico.

The non-standard/irregular spacing units are necessary because of the irregular boundary line between El Paso's mineral interest and the mineral interest of the United States (U.S.) administered by the U. S. Forest Service and the U.S. Bureau of Land Management in the Carson National Forest.

The 200 feet setbacks will be from only the outer boundaries of the spacing units adjoining El Paso's mineral interests. Consistent with the OCD's Readvertisement of this case and the OCD's Administrative Order NSL-4251 of April 4, 1999 (Order) to PennzEnergy (predecessor-in-interest to El Paso of oil and gas (including CBM gas) mineral interests on the Vermejo Ranch described in the Order), El Paso would withdraw its request for the OCD's approval of these non-standard 200 feet setbacks for

unorthodox well locations assuming the OCD confirms that the Order applies to El Paso as the owner and operator of the CBM gas mineral interests on the Vermejo Ranch and determines that the Order (and in particular decretal paragraphs 2 through 6) permit El Paso to drill its 21 wells as unorthodox and without these 200 feet setbacks. This withdrawal would be conditioned upon the OCD's confirmation that these 21 wells could be drilled to any formation from the surface to the base of the Dakota formation (including from the top of the Raton coal seam to the base of the Vermejo coal seam) pursuant to the Order. Other conditions of the Order would also apply.

Setbacks from the outer boundaries adjoining the irregular boundary line with the United States will be standard 660 foot setbacks, consistent with the Order. The wells may be completed from the top of the Raton coal seam to the base of the Vermejo coal seam. Without the Order, the non-standard setbacks for unorthodox well locations are necessary to accommodate flexibility for rough terrain and the surface owner's decisions.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

The BLM's position is set forth in its June 6, 2003 letter to the OCD.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

Paul H. Dowden

Expertise is in petroleum land management, land ownership, oil, gas and mineral leasing, spacing units, well locations, surface owner determinations, pipelines, gas markets and other matters of expertise within the scope of duties of a principal landman.

EST. TIME

Direct testimony is estimated to be 45 minutes or less, subject to matters arising during this case.

EXHIBITS

Amended Application

Certificate and Supplemental Certificates of Mailing and Compliance with Division Rule 1207 (Order R-8054)

Charles M. Kinard

Expertise is in mechanical and petroleum engineering, including coalbed methane (CBM) gas production, operations, resources, and related matters, including within the Raton Basin, spacing units, well locations and drilling and other matters connected with CBM gas production and operations, transportation facilities for CBM gas and gas markets.

Direct testimony is estimated to be one hour or less, subject to matters arising during this case.

Special Warranty Deed from Vermejo Park Corporation to the USA, c/o USFS, dated 12/30/81, filed for record on 1/22/82, Colfax Co., N.M.

Letter of 5/27/02 from Paul Dowden to BLM re Nomination of Lands

Letter of 6/6/02 from BLM to USFS re leasing of Valle Vidal Unit

Letter of 8/21/02 from USFS (Thornton) to BLM re deferral of leasing Valle Vidal Unit

Memorandum dated 2/21/03 of USFS Regional Geologist (Linden) to USFS Supervisor re El Paso Production Company Valle Vidal Oil and Gas Leasing

Maps/plats
showing El
Paso's proposed
irregular spacing
units and non-
standard
setbacks

Map showing El
Paso's proposed
irregular spacing
units in relation to
El Paso's existing
wells and
potential well
locations

Map showing
flowlines and
gathering lines

Cross sections of
coal seams from
various wells in
area of
production related
to El Paso's
proposed
irregular spacing
units

Offset production
profiles

Water
volumetrics

Dewatering
curves and
profiles

Producing
pressure regime

Exhibit on
reasonable
market demand

Administrative
Order NSL-4251

El Paso reserves
the right to
introduce any
other exhibits
deemed
necessary, at its
discretion, as the
case progresses
and as dictated
by any
opposition.

OPPOSITION

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

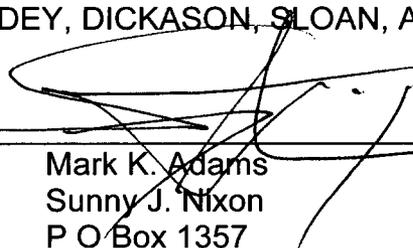
PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing.)

None at this time.

Respectfully submitted,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By  _____

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Attorneys for Applicant, El Paso Energy Raton, L.L.C.

**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:**

CASE NO. 13097

**AMENDED APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
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FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused a true and correct copy of the foregoing
Amended Pre-Hearing Statement by El Paso Energy Raton, L.L.C. to be hand-delivered
to the following this 12th day of September, 2003:

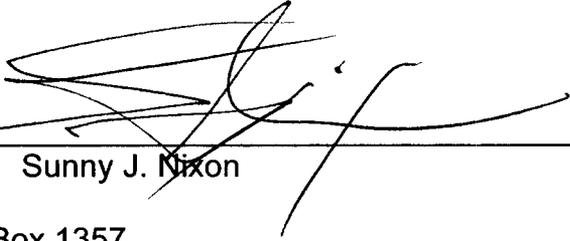
Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
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Bureau of Land Management
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Oil Conservation Division

*WVJ
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