

**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:**

**APPLICATION OF RSC RESOURCES LIMITED
PARTNERSHIP FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT, COMPULSORY
POOLING, AND AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO.**

Case No. 13,787

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

RSC Resources, LLC
Midland, Texas

Attention: Randy S. Cate

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Trek Oil & Gas, Inc.

OPPONENT'S ATTORNEY

Ocean Munds-Dry

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a non-standard 80-acre oil spacing and proration unit in the Devonian formation (North Knowles-Devonian Pool) comprised of the SE/4NE/4 and NE/4SE/4 of Section 14, Township 16 South, Range 38 East, NMPM, and pooling all mineral interests in said unit. The unit is to be dedicated to the Lawrence Well No. 1Y, to be re-entered at an unorthodox surface location 2531 feet from the north line and 630 feet from the east line of Section 14, with an estimated unorthodox bottom hole location 2531 feet from the north line and 660 feet from the east line of Section 14, and applicant further seeks approval of said locations. Also to be considered will be the cost of re-entering, drilling, and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision,

designation of applicant as operator of the well, and a 200% charge for the risk involved in re-entering, drilling, and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

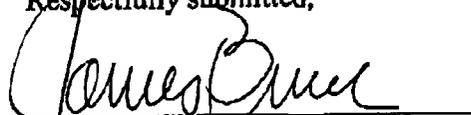
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Randy S. Cate	30 min.	Approx. 8

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



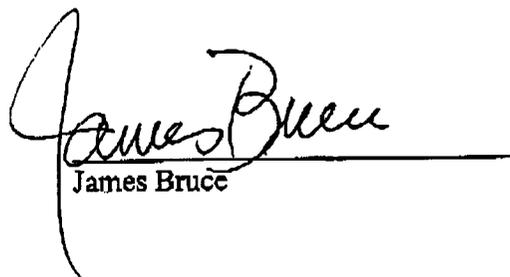
James Bruce
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Attorney for RSC Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 21st day of September, 2006 via facsimile transmission:

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