

**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 BLACK HILLS GAS RESOURCES INC.
FOR A NON-STANDARD PRORATION UNIT,
RIO ARRIBA COUNTY, NEW MEXICO.**

CASE NO. 14057

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Black Hills Gas Resources, Inc.
Attn: Carlton Eckberg
350 Indiana Street
Golden, CO 80401

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order creating a non-standard 583.43-acre proration unit, East Blanco Pictured Cliffs Gas Pool, comprised of Lot 10 of Section 6, the NE/4 and the E/2 NW/4 of Section 7 and the N/2 of Section 8, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. Black Hills proposes to dedicate this non-standard proration unit to its Jicarilla 458-08 Well No. 13 to be drilled from a surface location 1000 feet from the North line and 2300 feet from the East line of said Section 8 and a bottomhole location 200 feet from the North line and 700 feet from the West line

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of said Section 7. This non-standard proration unit is located approximately 15 miles northeast of Dulce, New Mexico.

PROPOSED EVIDENCE

APPLICANT

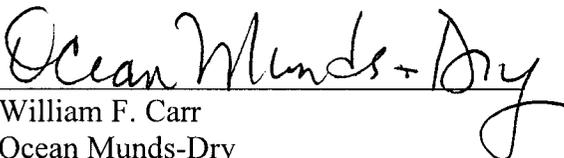
WITNESSES	ESTIMATED TIME	EXHIBITS
Carlton Eckberg, Landman	15 minutes	Approx. 10
Russ Peters, Reservoir Engineer	30 minutes	Approx. 10

PROCEDURAL MATTERS

Black Hills has none at the time.

Respectfully submitted,

HOLLAND & HART LLP

By: 
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**ATTORNEYS FOR
BLACK HILLS GAS RESOURCES INC.**