

**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 SYNERGY OPERATING, LLC
FOR COMPULSORY POOLING AND A NON-
STANDARD GAS SPACING AND PRORATION
UNIT, SAN JUAN COUNTY, NEW MEXICO.**

Case No. 14,175

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Synergy Operating, LLC
Post Office Box 5513
Farmington, New Mexico 87499
(505) 334-4993

Attention: Patrick Hegarty

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying Lots 1-4 and the E/2W/2 (the W/2) of Section 7, Township 29 North, Range 13 West, NMPM, to form a non-standard 179-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the MacDonald Orchard 29-13-7 Well No. 109, to be located at an orthodox location in the SE/4NW/4 of Section 7. Also to be considered will be the cost of 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 drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Patrick Hegarty
(landman)

20 min.

Approx. 6

IF THIS MATTER IS UNOPPOSED IT MAY BE SUBMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES

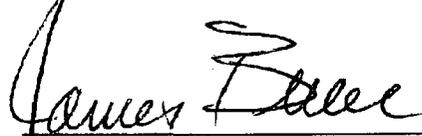
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Synergy Operating, LLC