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**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 TO ALLOW TWO OPERATORS  
IN A WELL UNIT, EDDY COUNTY, NEW MEXICO.**

**Case No. 14,308**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

RSC Resources Limited Partnership  
6824 Island Cr.  
Midland, Texas 79707  
Attention: Randy S. Cate

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

Three Span Oil & Gas, Inc.

**OPPONENT'S ATTORNEY**

Ocean Munds-Dry  
Holland & Hart LLP

**STATEMENT OF THE CASE**

**APPLICANT**

Applicant seeks an order allowing it to drill and operate its proposed Lucky Wolf "30" Fed. Com. Well No. 2, a horizontal well in the Wolfcamp formation in Lot 3, NE/4SW/4, and N/2SE/4 (the N/2S/2) of Section 30, Township 16 South, Range 28 East, NMPM. The NE/4SW/4 of Section 30 will be simultaneously dedicated to the proposed well, to be operated by applicant, and to the existing Crow Flats Fed. Com. Well No. 1, a vertical Wolfcamp well, located in the NE/4SW/4 of Section 30, operated by Three Span Oil & Gas, Inc.

Applicant will show that (i) Division rules allow more than one well on a well unit, (ii) Three Span Oil & Gas, Inc. does not have the right to drill another well in the NE/4SW/4 of Section 30,

(iii) a horizontal well is necessary to economically recover reserves and protect correlative rights, and (iv) Three Span Oil & Gas, Inc. will not be harmed by a second well on the well unit.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kirk Smith (landman)	20 min.	approx. 5
Randy S. Cate (engineer)	20 min.	approx. 6

OPPONENT

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

Respectfully submitted,



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

Attorney for RSC Resources Limited Partnership

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 9<sup>th</sup> day of April, 2009 by facsimile transmission:

Ocean Munds-Dry  
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Santa Fe, New Mexico 87504  
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James Bruce