

**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:**

RECEIVED

CASE NO. 13205
FEB 16 2004

**APPLICATION OF SAGA PETROLEUM, L.L.C.
FOR AN UNORTHODOX INFILL GAS WELL
LOCATION AND AN EXCEPTION TO DIVISION
RULE 104.D(3), LEA COUNTY, NEW MEXICO.**

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Saga Petroleum Corporation, L.L.C.
Attn: Bonnie Husband
415 W. Wall Street, Suite 835
Midland, TX 79701
(915) 684-4293

ATTORNEY

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STATEMENT OF CASE

APPLICANT

Applicant seeks an exception to Division Rule 104.d(3) in order to simultaneously dedicate production attributed to the Hobbs-Tub Gas Pool (96946) within an existing 160-acre standard shallow gas spacing unit comprising the SE/4 of Section 33, Township 18 South, Range 38 East, from the following two wells: (i) Conoco State Well No. 3 (API No. 30-025-35961) located at an unorthodox gas well location 2110 feet from the South line and 2055 feet from the East line (Unit J) of Section 33 (*approved by Division Administrative Order*

NSL-4866, dated April 23, 2003); and (ii) Conoco State Well No. 4 (API No. 30-025-24005) located at an unorthodox infill gas well location 688 feet from the South line and 2111 feet from the East line (Unit O) of Section 33. This 160-acre unit is located within the city limits of Hobbs with its southeast corner corresponding to the intersection of Marland Boulevard and Grimes Street.

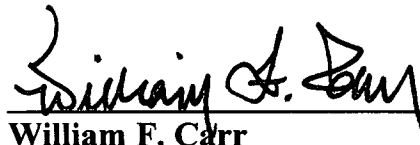
PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Bonnie Husband (Land)	Approx. 15 minutes	Approx. 5
Joe Clement (Engineer)	Approx. 15 minutes	Approx. 8

PROCEDURAL MATTERS

Saga Petroleum has none at this time.



William F. Carr

Attorney for Saga Petroleum Corporation,
L.L.C.