

**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 HEARING:**

**APPLICATION OF LANCE OIL & GAS COMPANY, INC.
TO AMEND DIVISION ORDER R-11814 FOR
COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO**

CASE 13360

*WVJ
10/29/04*

PRE-HEARING STATEMENT

**Lance Oil & Gas Company, Inc. submits this pre-hearing statement as required by
the New Mexico Oil Conservation Division.**

APPEARANCES OF THE PARTIES

APPLICANT

**Lance Oil & Gas Company, Inc.
10999 185th Street, Suite 1200
Denver, Colorado 80202
Attn: Anne Jones
505-598-6010(Ext. 62)**

ATTORNEY

**Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285**

OPPONENT

none

ATTORNEY

STATEMENT OF THE CASE**APPLICANT:**

- (1) Effective October 1, 2004, Lance became the successor operator to Richardson Operating Company.
- (2) Richardson was a working interest owners in the oil and gas minerals underlying the W/2 of Section 21, T19N, R13W, NMPM, San Juan County, New Mexico that contains two existing wells:
 - a. The F-RPC "21" Well No. 3 (API# 30-045-31079) approved for downhole commingled production is located in the Unit ~~E~~^M of this section and that approved the compulsory pooling of the SW/4 for Pictured Cliffs production and the W/2 for production from Basin Fruitland Coal Gas Pool and is subject to Division Order R-11814, dated August 16, 2002, Case 11855 but was only completed in the Pictured Cliffs formation;
 - b. The F-RPC "21" Well No. 2 (API # 30-045-31059) located in the NW/4 that was originally to be drilled to the Pictured Cliffs formation and was subject to a compulsory pooling order for that formation, Division Order R-11813, dated August 16, 2002, Case 11813, but was completed in and only produces from the Basin Fruitland Coal Gas Pool.
- (3) On August 4, 2004, Richardson, as the operator, sent to all unleased mineral interest owners and working interest owners a written well proposal, including an AFE, for the addition of the F-RPC "21" Well No. 2 as the coalbed gas well to be dedicated to the W/2 of Section 21.
- (4) Despite reasonable efforts, neither Richardson or Lane was unable to conclude a voluntary agreement with those parties listed on Exhibit "A"
- (5) Pursuant to Commission Order R-11992, effective August 15, 2003, Lance requests that the 200% risk charge be applied.
- (6) Lance requests that this application be processed in accordance with Division Rule 1607(A)(1)(b) and accordingly will submit it evidence by affidavit.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Anne Jones, landman (by affidavit)	15 min	about 7

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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