

**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 EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

CASE NO. 13097

RECEIVED

JUN 13 2003

Oil Conservation Division

PRE-HEARING STATEMENT

This prehearing statement is submitted by Applicant El Paso Energy Raton, L.L.C. (El Paso), as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

El Paso Energy Raton, L.L.C.
Nine Greenway Plaza - Suite 1514
Houston, Texas 77046
(832) 676-3489 – Telephone
(832) 676-2010 – Facsimile

Paul Dowden, Contact Person
Landman
El Paso Energy Raton, L.L.C.
Nine Greenway Plaza – Suite 1514
Houston, Texas 77046
(832) 676-3489 – Telephone
(832) 676-2010 – Facsimile

ATTORNEY

Mark K. Adams
Sunny J. Nixon
P O Box 1357
315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile

G. Kevin Cunningham
Senior Counsel
El Paso Energy Raton, L.L.C.
Nine Greenway Plaza – Suite 1886
Houston, Texas 77046
(832) 676-7157 – Telephone
(832) 676-3869 – Facsimile

OPPOSITION OR OTHER PARTY

ATTORNEY

United States Department of the Interior
Bureau of Land Management
Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

El Paso Energy Raton, L.L.C. seeks approval from the N.M. Oil Conservation Division (OCD) of twenty (20) non-standard/irregular coalbed methane (CBM) gas spacing units and non-standard setbacks of 200 feet from certain boundaries of the spacing units for unorthodox well locations within the spacing units to be located in the Raton Basin, Colfax County, New Mexico, more particularly described as located within projected Sections 3, 4 and 10, T29N, R18E, NMPM; projected Sections 21, 22, 23, and 24, T30 N, R17 E, NMPM; and projected Sections 29, 30, 32, and 33, T30N, R18E, NMPM, all within the Maxwell Land and Beaubien and Miranda Grants in Colfax County, New Mexico. This area is approximately 36 miles southwest of Raton, New Mexico. The non-standard/irregular spacing units are necessary because of the irregular boundary line between El Paso's mineral interest and the mineral interest of the United States (U.S.) administered by the U. S. Forest Service and the U.S. Bureau of Land Management in the Carson National Forest. The 200 feet setbacks will be from only the outer boundaries of the spacing units adjoining El Paso's mineral interests. Setbacks from the outer boundaries adjoining the irregular boundary line with the United States will be standard 660 foot setbacks. The wells may be completed from the top of the Raton coal seam to the base of the Vermejo coal seam. The non-standard setbacks for unorthodox well locations are necessary to accommodate flexibility for rough terrain and the surface owner's decisions.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

The BLM's position is set forth in its June 6, 2003 letter to the OCD.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

Paul H. Dowden

Direct testimony is estimated to be 45 minutes or less, subject to matters arising during this case.

Application

Expertise is in petroleum land management, land ownership, oil, gas and mineral leasing, spacing units, well locations, surface owner determinations, pipelines, gas markets and other matters of expertise within the scope of duties of a principal landman.

Certificate and Supplemental Certificates of Mailing and Compliance with Division Rule 1207 (Order R-8054)

Charles M. Kinard

Direct testimony is estimated to be one hour or less, subject to matters arising during this case.

Special Warranty Deed from Vermejo Park Corporation to the USA, c/o USFS, dated 12/30/81, filed for record on 1/22/82, Colfax Co., N.M.

Expertise is in mechanical and petroleum engineering, including coalbed methane (CBM) gas production, operations, resources, and related matters, including within the Raton Basin, spacing units, well locations and drilling and other matters connected with CBM gas production and operations, transportation facilities for CBM gas and gas markets.

Letter of 5/27/02 from Paul Dowden to BLM re Nomination of Lands

Letter of 6/6/02
from BLM to
USFS re leasing
of Valle Vidal Unit

Letter of 8/21/02
from USFS
(Thornton) to
BLM re deferral
of leasing Valle
Vidal Unit

Memorandum
dated 2/21/03 of
USFS Regional
Geologist
(Linden) to
USFS Supervisor
re El Paso
Production
Company Valle
Vidal Oil and Gas
Leasing

Maps/plats
showing El
Paso's proposed
irregular spacing
units and non-
standard
setbacks

Map showing El
Paso's proposed
irregular spacing
units in relation to
El Paso's existing
wells and
potential well
locations

Map showing
flowlines and
gathering lines

Cross sections of
coal seams from
various wells in
area of
production and
on US side of the
irregular
boundary related
to El Paso's
proposed
irregular spacing
units

Offset production
profiles

Water
volumetrics

Dewatering
curves and
profiles

Producing
pressure regime

Public domain
market
information on
reasonable
market demand
for gas exceeding
supply

El Paso reserves the right to introduce any other exhibits deemed necessary, at its discretion, as the case progresses and as dictated by any opposition.

OPPOSITION

WITNESSES

(Name and expertise)

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

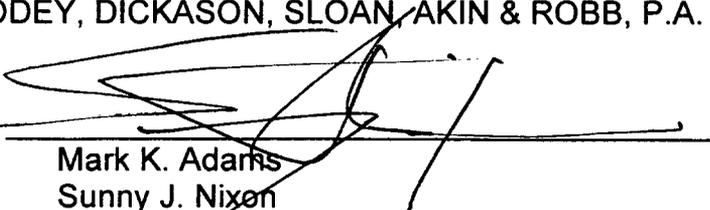
(Please identify any procedural matters which need to be resolved prior to the hearing.)

None at this time.

Respectfully submitted,

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By _____


Mark K. Adams
Sunny J. Nixon
P O Box 1357
315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile
Attorneys for Applicant, El Paso Energy Raton, L.L.C.

**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:**

CASE NO. 13097

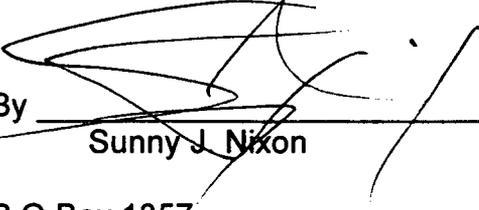
**APPLICATION OF EL PASO ENERGY RATON, L.L.C.
FOR APPROVALS OF NON-STANDARD/IRREGULAR
SPACING UNITS AND CERTAIN NON-STANDARD
SETBACKS FOR UNORTHODOX WELL LOCATIONS
FOR COALBED METHANE GAS WELLS AND ANY
OTHER APPROVALS REQUIRED FOR SUCH UNITS,
SETBACKS AND WELLS IN COLFAX COUNTY, NEW MEXICO.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I caused a true and correct copy of the foregoing Pre-Hearing Statement by El Paso Energy Raton, L.L.C. to be hand-delivered to the following this 13th day of June, 2003:

**Carsten F. Goff, Deputy State Director
Resource, Planning, Use & Protection
United States Department of the Interior
Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115**

RODEY, DICKASON, SLOAN, AKIN & ROBB, P.A.

By 

Sunny J. Nixon

P O Box 1357
315 Paseo de Peralta
Santa Fe, New Mexico 87504-1357
(505) 954-3917 – Telephone
(505) 954-3942 – Facsimile

Attorneys for Applicant, El Paso Energy Raton, L.L.C.