



**MONTGOMERY
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LAW FIRM

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2:17

July 5, 2012

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

Re: NMOCD Case No. 14878: Application of Energen Resources Corporation for Establishment of a Special Infill Well Development Area in Portions of the Gavilan-Pictured Cliffs Pool, for Exception from Rule 19.15.15.11 NMAC, Approval of Unorthodox Well Locations and for Downhole Commingling, Rio Arriba County, New Mexico

Dear Ms. Bailey:

On behalf of Energen Resources Corporation, enclosed for filing is an original and one copy of Energen's Pre-Hearing Statement in the above-referenced case.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

Enclosures

385227

REPLY TO:

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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**IN THE MATTER OF THE APPLICATION OF
ENERGEN RESOURCES CORPORATION FOR
ESTABLISHMENT OF A SPECIAL INFILL WELL
DEVELOPMENT AREA IN PORTIONS OF THE
GAVILAN-PICTURED CLIFFS POOL, FOR
EXCEPTION FROM RULE 19.15.15.11 NMAC,
APPROVAL OF UNORTHODOX WELL LOCATIONS
AND FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO**

Case No. 14878

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Energen Resources Corporation as required by the Oil Conservation Division.

APPEARANCES

APPLICANTS

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, NM 87401
(505) 325-6800

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery & Andrews
P.O. Box 2307
Santa Fe, New Mexico 87504-2307
(505) 982-3873
shall@montand.com

OPPONENT

N/A

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Energen Resources Corporation is requesting the Division to issue an order (1) Approving the establishment of a Special Infill Well Development Area in portions of the Gavilan-Pictured Cliffs Pool (77360) in Rio Arriba, County, New Mexico; (2) Providing for an exception to the well density development limitations applicable to the pool to allow two producing gas wells per 160-acre spacing unit throughout the Special Infill Well Development Area; (3) Authorizing recompletions of 35 existing Mesaverde formation wells in the Pictured Cliffs formation and approving unorthodox well locations for certain of those wells; (4) Authorizing the dual completions of 7 new wells to be drilled to both formations; and (5) for area-wide downhole commingling. The Special Infill Well Development area is a contiguous block comprised of approximately 12,207.60 acres, all of which are under lease to and operated by Energen. Notice was provided pursuant to Rules 15.11 C and 15.13.

OPPONENT

N/A

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Bryan Lewis, Landman	30 Minutes	6
Don Lehman, Geologist	30 Minutes	6
Zachary Van Voast, Petroleum Engineer	1 hour	8

OPPONENT

N/A

PROCEDURAL MATTERS

None.

MONTGOMERY & ANDREWS, P.A.

By: _____

A handwritten signature in dark ink, appearing to read "J. Scott Hall", is written over a horizontal line.

J. Scott Hall, Esq.

Post Office Box 2307

Santa Fe, New Mexico 87504

(505) 982-3873

Attorneys for Energen Resources Corporation