

STATE OF NEW MEXICO RECEIVED OCD
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
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IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF LEGEND NATURAL GAS III, LP
FOR A NOMENCLATURE ORDER EXPANDING THE
NORTH HAY HOLLOW-BONE SPRING POOL, EDDY
COUNTY, NEW MEXICO.

Case No. 15,182

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Legend Natural Gas III, LP
Suite 200
15021 Katy Freeway
Katy, Texas 77094

Attention: Kendal Kuiper
(281) 644-5972

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order expanding the boundaries of the North Hay Hollow-Bone Spring Pool (Pool Code 30216). The Pool was established by Division Order No. R-8065, and currently includes the following acreage:

Township 25 South, Range 27 East, N.M.P.M.
Section 26: NE/4

Additional wells have been placed in the Pool by the Division, but its boundaries have not been formally expanded. The Division has informed applicant that its proposed expansion of the Pool includes the following acreage:

Township 25 South, Range 27 East, N.M.P.M.

Section 22: All
Section 23: All
Section 24: All
Section 25: All
Section 26: E/2

Township 25 South, Range 28 East, N.M.P.M.

Section 7: E/2
Section 8: All
Section 17: W/2
Section 18: All
Section 19: All
Section 20: W/2
Section 29: W/2
Section 30: All

In Case No. 15,076 applicant sought an order establishing special rules and regulations for the Pool, including a depth bracket allowable of 375 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The Division has requested that the Pool be expanded so that all wells in the Pool will be covered by any special pool rules which may be enacted.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Testimony on the acreage in the pool, and the continuity of the pool across the above acreage, was presented in Case No. 15,076. AS A RESULT, APPLICANT REQUESTS PERMISSION TO SUBMIT THIS CASE BY AFFIDAVIT AND THE INCORPORATION OF TESTIMONY FROM THE PRIOR CASE. In addition, there are no objections to this application, and nomenclature cases are normally done without testimony. If witnesses are necessary, applicant may present the following witnesses:

Kendal Kuiper
(landman)

10 min.

Approx. 2

Robert Reiser
(geologist)

15 min.

Approx. 4

OPPONENT

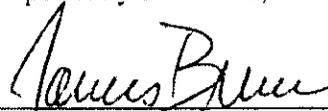
WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for Legend Natural Gas III, LP