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. 13558

APPLICATION OF COLEMAN OIL & GAS, INC. TO AMEND ORDER NO. R-12201 TO EXTEND FOR ONE YEAR THE PRODUCTION TEST AUTHORIZED THEREIN TO DETERMINE THE ECONOMIC VIABILITY OF SIMULTANEOUSLY PRODUCING FOUR EXISTING GAS WELLS ON A STANDARD 320-ACRE SPACING UNIT IN THE BASIN-FRUITLAND COAL GAS POOL, SAN JUAN COUNTY, NEW MEXICO

2005 SEP 16 PM 2

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Coleman Oil & Gas, Inc. Attn: Alan Emmendorfer 1610 Wynkoop Street, Suite 550 Denver, CO 80202 (303) 623-2401

ATTORNEY

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

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Applicant seeks the amendment of Order No. R-12201 entered on August 26, 2004, that granted an exception to Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool and authorized the simultaneous dedication of the 8/2 of Section 8, Township 31 North Range 5 West, NMPM, San Juan County, New Mexico to the following four existing coal gas wells for the purpose of conducting a production test for one year to determine the economic viability of simultaneously producing these wells:

WND 9/15/65

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Sec 18/26N/IIW SON JUAN CTY

- 1. **Ricky Well No. 1** (API No. 30-045-25976) located 790 feet from the north line and 875 feet from the West line (Unit D);
- 2. **Ricky Well No. 1R** (API No. 30-045-31165) located 765 feet from the North line and 830 feet from the West line (Unit D);
- 3. Ricky Well No. 2 (API No. 30-045-25977) located 1850 feet from the South line and 790 feet from the West line (Unit L); and
- 4. **Ricky Well No. 2R** (API No. 30-045-31166) located 1845 feet from the South line and 745 feet from the West line (Unit L).

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Alan Emmendorfer

Approx. 20 min.

Approx. 6

PROCEDURAL MATTERS

Coleman Oil & Gas, Inc., has none at this time.

William Fl Carr

Attorney for Coleman Oil & Gas, Inc.

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