

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

**APPLICATION OF ENCANA OIL & GAS (USA) INC. FOR APPROVAL OF THE
CORRALES CANYON UNIT, SANDOVAL COUNTY, NEW MEXICO.**

CASE NO. 15470

APPLICANT'S PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Encana Oil & Gas (USA) Inc. ("Encana"), as required by Division rules.

APPEARANCES

APPLICANT

Encana Oil & Gas (USA) Inc.

ATTORNEY

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STATEMENT OF THE CASE

Encana Oil & Gas (USA) Inc. ("Encana") seeks an order approving its Corrales Canyon Unit. The proposed Unit consists of 2,560 acres, more or less, of Federal and State lands in Sandoval County. The unitized interval is the stratigraphic equivalent of the interval described as the Mancos Shale Group, including the genetically related rocks from 100 feet below the stratigraphic equivalent of the top of the Mancos Shale (base of Mesa Verde Group) to the to the stratigraphic equivalent of the base of the Greenhorn Limestone (top of the Graneros Shale) as shown in the Navajo Allotted #1 well (API #30-043-20138) located in the SE/4 SE/4 of Section

28, Township 22 North Range 6 West, Sandoval County, New Mexico, extending from 3,945' to 5,682' (measured depth). Encana expects to receive preliminary approval of the Unit Agreement from the Bureau of Land Management and the New Mexico State Land Office prior to the hearing in this matter. Encana has also met with the Oil Conservation Division on this matter. The Unit Area is currently subject to the Statewide rules for wildcat oil spacing, which allow for 40-acre spacing and require wells to be located no closer than 330 feet to the outer boundary of a spacing unit, or in this case the outer boundary of the Unit Area. *See* NMAC 19.15.15.9.A.

APPLICANT'S PROPOSED EVIDENCE

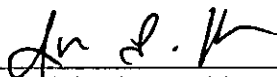
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Mona Binion, Petroleum Land Negotiator, Encana	Approx. 15 minutes	Approx. 5 Exhibits
Erik P. Graven, Petroleum Geologist, Encana	Approx. 10 minutes	Approx. 5 Exhibits

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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