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

**IN THE MATTER OF THE APPLICATION
OF SOUTHLAND ROYALTY COMPANY LLC FOR
DESIGNATION OF A NON-STANDARD SPACING AND PRORATION UNIT AND
PROJECT AREA, AND FOR EXCEPTION TO THE WELL LOCATION
PROVISIONS OF THE SPECIAL RULES AND REGULATIONS FOR THE BASIN-
MANCOS GAS POOL AND THE BASIN-DAKOTA POOL,
RIO ARriba COUNTY, NEW MEXICO**

CASE NO. 15919

PRE-HEARING STATEMENT

Southland Royalty Company LLC ("Southland"), provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT:

**SOUTHLAND ROYALTY
COMPANY LLC**

**SOUTHLAND ROYALTY COMPANY LLC'S
ATTORNEY**

**J. Scott Hall, Esq.
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OPPONENT/OTHER PARTIES

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

Applicant Southland Royalty Company LLC seeks an order (1) approving its designation of its 800-acre+/- non-standard spacing and proration unit or units in the Mancos and Dakota formations, Basin-Mancos Gas Pool (97232) and Basin-Dakota pool (71599) for Applicant's communitized horizontal drilling project area; and (2) providing for a blanket exception to the

well setback location provisions of the Special Pool Rules for the Basin Mancos Gas Pool (Order No. R-12984) and the Basin-Dakota Pool (Order No. R-10987-B[2]) authorizing well locations within 330 feet of the outer boundaries of the project area.

PROPOSED EVIDENCE

APPLICANT'S WITNESSES

EST. TIME

EXHIBITS

Jonathan Holmes – Land

20 Min.

6

Paul Thompson – Engineer

15 Min.

4

OPPONENT'S WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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