

**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. 13739**

**APPLICATION OF MCKAY OIL & GAS, LLC FOR  
COMPULSORY POOLING, SAN JUAN COUNTY,  
NEW MEXICO**

**PRE-HEARING STATEMENT**

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

**APPEARANCES OF PARTIES**

**APPLICANT**

McKay Oil & Gas, LLC

**ATTORNEY**

James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, NM 87504-1056

**OPPOSITION**

Burlington Resources Oil & Gas Co., L.P.  
Attn: Alan Alexander  
3401 E. 30th Street  
Farmington, NM 87402  
(505) 326-9700

**ATTORNEY**

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

**STATEMENT OF CASE**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying Lots 3, 4, S/1 NW/4, and SW/4 (the W/2) of Section 1, Township 30 North, Range 12 West NMPM to form a standard 319.40-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing, including the

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Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Kelly Well NO. 1, to be located at an orthodox location in the SE/4 NW/4 of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles North-Northeast of Flora Vista, New Mexico.

### **PROPOSED EVIDENCE**

#### **OPPOSITION**

##### **WITNESSES**

##### **EST. TIME**

##### **EXHIBITS**

##### **May call:**

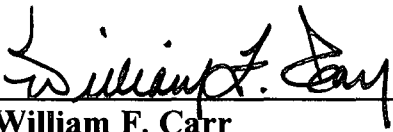
Alan Alexander  
(Landman)

Approx. 10 min.

Approx. 5

### **PROCEDURAL MATTERS**

Burlington Resources Oil & Gas Co., L.P., has none at this time.

  
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**William F. Carr**

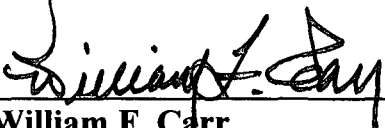
**Attorneys for Burlington Resources Oil & Gas  
Co., L.P.**

**CERTIFICATE OF SERVICE**

I certify that on June 29, 2006 I served a copy of the foregoing document to the following by

- ☐ U.S. Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Fax
- ☐ Electronic Service by LexisNexis File & Serve

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William F. Carr