

**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:**

**APPLICATION OF SAN JUAN RESOURCES, INC.
FOR COMPULSOYR POOLING
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 13784

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by San Juan Resources, Inc. as required by the New Mexico Oil Conservation Division.

APPEARENCES OF THE PARTIES

APPLICANT

San Juan Resources, Inc.

ATTORNEY

W Thomas Kellahin, Esq.
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Santa Fe, NM 87504
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OPPONENT

NONE

ATTORNEY

STATEMENT OF THE CASE

Applicant seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying a 325.21-acre non standard spacing unit consisting of the S/2 of Section 34, T32N, R13W, NMPM, San Juan County, New Mexico, forming a non-standard 325.21-acre gas spacing and proration unit for any production from the surface to the base Dakota formation, including but not limited to the Basin-Dakota Gas Pool and Blanco-Mesaverde Gas Pool. This unit is to be dedicated its Memgem Walters "34" Well

No. 1 (API#30-045-33768) to be drilled at a standard location in Unit of this section for downhole commingled production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.

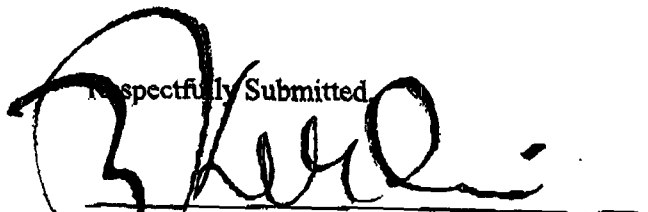
Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of San Juan Resources, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1 mile North from La Plata, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

PROPOSED EVIDENCE

WITNESSES	EST. TIME	EST. EXHIBITS
Jerry McHugh, Jr. President and owner of San Juan Resources, Inc. (by affidavit)	15 minutes	@ 8

PROCEDURAL MATTERS

None

Respectfully Submitted

W. Thomas Kellahin
KELLAHIN & KELLAHIN

CERTIFICATE OF SERVICE

On September 21, 2006, the undersigned cause to be delivered by facsimile a copy of this pleading to all counsel of record:

Gail MacQuesten, Esq. (OCD) 476-3402


W. Thomas Kellahin