

**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 LANCE OIL & GAS COMPANY, INC.
FOR COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 13793

2006 NOV 22 PM 12 12

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Lance Oil & Gas Company, Inc. as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Lance Oil & Gas Company, Inc.
P. O. Box 70
Kirtland, New Mexico 87417
Attn: Anne Jones
Phone 505-598-5601
Fax: 505-598-6210

ATTORNEY

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285
Fax: 505-982-2047

OPPONENTS

Carolyn Visage Allred
Mabel Garcia

ATTORNEY

none

STATEMENT OF THE CASE

APPLICANT:

Lance Oil & Gas Company, Inc. seeks an order pooling all mineral interests to the Basin Fruitland Coal-Gas Pool underlying the W/2 of Section 18, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool. This unit is to be dedicated its KLOG "18" Well No. 2 to be drilled at a standard gas well location in the SW/4NW/4 (Unit E) of this section for production from the Basin Fruitland Coal 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 Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well pursuant to Commission Order R-11992. This unit is located approximately 1/2 mile Southeast from the center of Kirkland, New Mexico. **In the absence of objection, this matter will be taken under advisement.**

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBIT

Anne Jones (Landman)

@ 20-min

@ 10 exhibits

PROCEDURAL MATTERS

None at this time.

KELLAHIN & KELLAHIN



W. Thomas Kellahin

P. O. Box 2265

Santa Fe, New Mexico 87504

Phone 505-982-4285

Fax 505-982-2047

E-mail: kellahin@earthlink.net