

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 ENERGEN RESOURCES
CORPORATION TO AMEND THE COST RECOVERY
PROVISIONS OF COMPULSORY POOLING ORDER
NO. R-1960, TO DETERMINE REASONABLE COSTS,
AND FOR AUTHORIZATION TO RECOVER COSTS
FROM PRODUCTION OF POOLED MINERAL
INTERESTS, RIO ARRIBA COUNTY, NEW MEXICO.

Case No. 13,957

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by opponent as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
Energen Resources Corporation

APPLICANT'S ATTORNEY
J. Scott Hall

OPPONENT
Estate of Joseph A. Sommer
Joseph A. Sommer Revocable Trust
JAS Oil and Gas Co., LLC
P.O. Box 1984
Santa Fe, New Mexico 87504

OPPONENT'S ATTORNEY
James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Kurt A. Sommer
(505) 982-4676

STATEMENT OF THE CASE

APPLICANT
The SW/4 of Section 2, Township 25 North, Range 3 West, NMPM is subject to Commission Order No. R-1960. Applicant allegedly seeks and order "clarifying" or "amending" certain provisions of the order.

WTS 7/25/07

OPPONENT

Opponents are in litigation with applicant concerning the subject lands and the provisions of Order No. R-1960. The case is being litigated in the following First Judicial District Court case:

**THE ESTATE OF JOSEPH A. SOMMER,
deceased, THE JOSEPH A. SOMMER
REVOCABLE TRUST, and JAS OIL &
GAS CO., LLC, a New Mexico limited
liability company,**

Plaintiffs,

v.

Case No. D-117-CV-2007-00128

**ENERGEN RESOURCES CORPORATION,
an Alabama corporation,**

Defendant.

The thrust of the complaint is that applicant has (i) failed to comply with the terms of Order No. R-1960, (ii) engaged in unfair trade practices, (iii) converted property, and (iv) violated the Oil and Gas Act and the Proceeds Payment Act.

Opponents are unclear of applicant's position in this case. However, it is opponents' position that the terms of Order No. R-1960 are clear, and that applicant has violated same on an ongoing basis. Because the matter is in litigation, no action should be taken by the Division which interferes with the matters in litigation.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

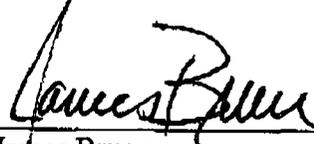
**Kurt A. Sommer
(possible witness)**

15 min.

Approx. 2

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Opponents

CERTIFICATE OF SERVICE

The foregoing pleading was served upon the following counsel of record this 19th of July, 2007 via facsimile transmission:

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Santa Fe, New Mexico 87501
(505) 989-9857



James Bruce