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**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 RSC RESOURCES LIMITED
PARTNERSHIP TO ALLOW TWO OPERATORS
IN A WELL UNIT, EDDY COUNTY, NEW MEXICO.**

Case No. 14,308

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

RSC Resources Limited Partnership
6824 Island Cr.
Midland, Texas 79707
Attention: Randy S. Cate

APPLICANT'S ATTORNEY

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

OPPONENT

Three Span Oil & Gas, Inc.

OPPONENT'S ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order allowing it to drill and operate its proposed Lucky Wolf "30" Fed. Com. Well No. 2, a horizontal well in the Wolfcamp formation in Lot 3, NE/4SW/4, and N/2SE/4 (the N/2S/2) of Section 30, Township 16 South, Range 28 East, NMPM. The NE/4SW/4 of Section 30 will be simultaneously dedicated to the proposed well, to be operated by applicant, and to the existing Crow Flats Fed. Com. Well No. 1, a vertical Wolfcamp well, located in the NE/4SW/4 of Section 30, operated by Three Span Oil & Gas, Inc.

Applicant will show that (i) Division rules allow more than one well on a well unit, (ii) Three Span Oil & Gas, Inc. does not have the right to drill another well in the NE/4SW/4 of Section 30,

(iii) a horizontal well is necessary to economically recover reserves and protect correlative rights, and (iv) Three Span Oil & Gas, Inc. will not be harmed by a second well on the well unit.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Kirk Smith (landman)	20 min.	approx. 5
Randy S. Cate (engineer)	20 min.	approx. 6

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



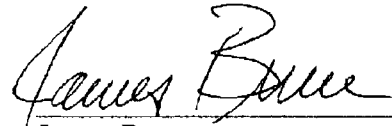
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for RSC Resources Limited
Partnership

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 9th day of April, 2009 by facsimile transmission:

Ocean Munds-Dry
Holland & Hart LLP
P.O. Box 4421
Santa Fe, New Mexico 87504
(505) 983-6043


James Bruce