

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE APPLICATION OF  
APPROACH OPERATING, LLC FOR AN  
UNORTHODOX WELL LOCATION AND  
NON-STANDARD OIL SPACING AND  
PRORATION UNIT, RIO ARRIBA COUNTY,  
NEW MEXICO

CASE NO. 14576

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Approach Operating, LLC as required by the rules of the Oil Conservation Division.

**APPEARANCES**

APPLICANT

Approach Operating, LLC

APPLICANT'S ATTORNEY

J. Scott Hall  
Montgomery & Andrews  
P.O. Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873

OPPOSING PARTY

None.

OPPOSING PARTY'S ATTORNEY

**STATEMENT OF THE CASE**

Applicant seeks an order approving of an unorthodox well location and the formation of a non-standard oil well spacing and proration unit comprised of  $52.0 \pm$  acres located in the NW/4 NW/4 of projected Section 3, T27N, R4E in Rio Arriba County, New Mexico. The proposed non-standard unit will be dedicated to the Montano No. 1 Well, to be vertically drilled to the Mancos Shale formation, WC Tierra Amarilla Mancos Oil Pool at an *apparent* unorthodox location 939' FNL and 207' FWL of Section 3.

With respect to the proposed non-standard unit, the statewide oil well location and acreage dedication rules that would otherwise be applicable to the WC Tierra Amarilla Mancos Oil Pool (97767) provide that oil wells shall be located on a spacing unit "...consisting of approximately 40 contiguous surface acres, substantially in the form of a square that is a legal subdivision of the United States public land survey and is a governmental quarter-quarter section or lot..". See Rule 19.15.15.9.A. Rule 19.15.15.11.B (1) authorizes administrative approvals of requests for non-standard units when necessitated by "a variation in the legal

*subdivision of the United States public land surveys...*". However, there is no "United States public land survey" in this area and the variation results only from the application of a *projected* survey. In a related matter involving similar circumstances, the Applicant was advised that because an administrative approval is not specifically provided for in the rule, it would be necessary to file an application for hearing under Rule 19.15.4.8. (See Order NSP-1942 and our pre-hearing statement filed in Case No. 14522.)

The Application in this matter was filed on September 8, 2010 and has been properly advertised. Notice of the Application for hearing was issued. No objections have been received and no other party has entered an appearance in this case. A number of offsetting interest owners have provided signed waivers of objections to the Application.

### **PROPOSED EVIDENCE**

#### **APPLICANT**

This case will be presented by affidavit.

#### **OPPOSING PARTY**

None.

### **PROCEDURAL MATTERS**

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: J. Scott Hall  
J. Scott Hall

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Attorneys for Approach Operating LLC

**Certificate of Service**

I hereby certify that on April \_\_\_, 2011, a true and correct copy of the foregoing was deposited with the U.S. Postal Service, with proper postage affixed, addressed as follows:

N/A

N/A

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J. Scott Hall

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