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

APPLICATION OF ELM RIDGE RESOURCES, INC., FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO,

Case No. 12,620

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OF COMPANY ON

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller, Stratvert & Torgerson, P.A., attorneys for

Edwards Energy Corporation, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

APPLICANT'S ATTORNEY

James Bruce, Esq. P.O. Box 1056 Santa Fe, New Mexico 87504 (505) 982-2151

OPPONENT'S ATTORNEY

J. Scott Hall, Esq. Miller, Stratvert & Torgerson, P.A. Post Office Box 1986 Santa Fe, New Mexico 87504 (505) 989-9614

OTHER PARTY'S ATTORNEY

<u>OPPONENT</u>

Edwards Energy Corporation 1401 17th Street, Suite 1400 Denver, CO 80202 (303) 298-1400

Elm Ridge Resources, Inc.

OTHER PARTY

None to date/unknown

STATEMENT OF THE CASE

Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool underlying the N/2 of Section 24, Township 26 North, Range 13 West, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Ryleybart Fed. Well No. 1, to be drilled at an orthodox location in the NE/4 of Section 24. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 22 miles southeast of Farmington, New Mexico.

Edwards Energy opposes the compulsory pooling of its interests.

PROPOSED EVIDENCE

WITNESSES
(Name and expertise)EST. TIMEEXHIBITSOpponent:Keith Edwards, Landman/President10 minutes4

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing.)

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MILLER, STRATVERT & TORGERSON, P.A.

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J. Scott Hall Attorneys for Edwards Energy Corporation Post Office Box 1986 Santa Fe, New Mexico 87504-1986 (505) 989-9614

Certificate of Mailing

I hereby certify that a true and correct copy of the foregoing was mailed to counsel of on the τ_1 day of March. 2001 as follows: record on the *z* day of March, 2001, as follows:

> James Bruce, Esq. P.O. Box 1056 Santa Fe, New Mexico 87504

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J. Scott Hall