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NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN NATURAL RESOURCES - OIL & GAS LAW

** NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN REAL ESTATE LAW

January 18, 2002

Lori Wrotenbery, Director New Mexico Oil Conservation Division 1220 St. Francis Drive Santa Fe, New Mexico 87505 **Hand Delivered**

Re: NMOCD Case No. 12802; Application of D.J. Simmons, Inc. for Compulsory

Pooling, Rio Arriba County, New Mexico (SE/4 Sec. 25, T-25-N, R-3-W, NMPM;

Bishop Federal 25 No. 2 well)

Dear Ms. Wrotenbery:

Enclosed are an original and two copies of the Pre-Hearing Statement of D.J. Simmons, Inc. in the above referenced matter.

Thank you for your attention to this matter.

Yours very truly,

MILLER, STRATVERT & TORGERSON, P.A.

1. I win dall

J. Scott Hall

JSH/glb Enclosures

cc: John Byrom (w/encl.)

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

IN THE MATTER OF THE APPLICATION OF D. J. SIMMONS, INC. FOR COMPULSORY POOLING, RIO ARRIBA COUNTY, NEW MEXICO

CASE NO. 12802

PRE-HEARING STATEMENT

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

attorneys for D. J. Simmons, Inc., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT'S ATTORNEY

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

<u>APPLICANT</u>

D. J. Simmons, Inc.
Post Office Box 1469
Farmington, New Mexico 87401
(505) 326-3753

OPPONENT'S ATTORNEY

William F. Carr, Esq. Michael Feldewert, Esq. Holland & Hart, LLP and Campbell & Carr P.O. Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

OPPONENT

McElvain Oil & Gas Properties, Inc. Denver, Colorado

OTHER PARTY'S ATTORNEY

OTHER PARTY

None to date/unknown

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Gallup-Dakota formation in the SE/4 of Section 25. Township 25 North. Range 3 West, NMPM, for all formations and or pools developed on 160-acre spacing. including, but not necessarily limited to, the Pictured Cliffs, Chacra. and the Gallup-Dakota formations. Said units are to be dedicated to Applicant's Bishop Federal 25-2 well to be drilled at a standard location in the NW/4 SE/4 of said Section 25 to a depth sufficient to test all formations in the pooled intervals, including the Gallup-Dakota formation, West Lindrith Gallup-Dakota Oil Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator and a charge for the risk involved in drilling said well. The units are located approximately 5 miles southwest of Lindrith, New Mexico.

OPPOSITION OR OTHER PARTY

McElvain Oil and Gas Properties, Inc. has pending an application for the compulsory pooling the E/2 of Section 25, T-25-N, R-3-W, NMPM in Case. No. 12801.

Pre-hearing Statement NMOCD Case No. 12802 Page 3

PROPOSED EVIDENCE

<u>APPLICANT</u>

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Lisa Gusek, Geologist	25 minutes	5
Ed Dunn, Landman	25 minutes	6
Tom Mullins, Reservoir Engineer	25 minutes	5
<u>OPPOSITION</u>		
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

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

D. J. Simmons has filed a Motion to Dismiss McElvain's Application for a N/2 unit in the same section in Case No. 12747 and has moved to continue the hearing on McElvain's Application for an E/2 unit in Section 25 in Case No. 12801.

Respectfully submitted,

MILLER, STRATVERT & TORGERSON, P.A.

J. Scott Hall

Attorneys for D. J. Simmons, Inc.

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Pre-hearing Statement NMOCD Case No. 12802 Page 4

Certificate of Mailing

I hereby certify that a true and correct copy of the foregoing was mailed to counsel of record on the 18th day of January, 2002, as follows:

Michael Feldewert, Esq. P.O. Box 2208 Santa Fe, New Mexico 87504

J. Scott Hall