

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:

Care Permitted p.m. 9

NMOCD CASE NO. 10146

APPLICATION OF GIANT EXPLORATION
& PRODUCTION COMPANY FOR
COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Giant Exploration & Production Company as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Giant Exploration &
Production Company
Post Office Box 2810
Farmington, New Mexico 87499
505-326-3325
name, address, phone
and contact person

ATTORNEY

Tommy Roberts
Post Office Box 1020
Farmington, New Mexico 87499
505-325-1801

OPPOSITION OR OTHER PARTY

Phillips Petroleum Company
Post Office Box 1967
Houston, Texas 77251-1967
713-669-3612
name, address, phone
and contact person

ATTORNEY

Kellahin, Kellahin and Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504
505-982-4285

STATEMENT OF CASE

APPLICANT

(please make a concise statement of what is being sought with the application and the reasons therefore.)

Giant Exploration & Production Company seeks an order pooling all of Phillips Petroleum Company's interest in the Basin Fruitland Coal (Gas) Pool underlying the S/2NE/4 of Section 5, T25N-R12W, N.M.P.M., San Juan County, New Mexico, to complete the forming of a standard 319.92 acre gas spacing and proration unit for said pool consisting of the E/2 of Section 5, T25N-R12W, N.M.P.M., to be dedicated to its Bisti Coal 5 Com. No. 1 Well drilled at a standard coal gas well location 850 feet from the North line and 1630 feet from the East line (Unit B). Giant Exploration & Production Company requests that such Order designate Giant Exploration & Production Company as the operator of the this well and that it provide for the recovery by Giant Exploration & Production Company and other joining parties of the costs of drilling, completing, equipping and operating the proposed well, together with a reasonable charge for risk involved in drilling the well. In addition, Giant Exploration & Production Company requests that such Order establish a reasonable charge for the supervision of the well during the drilling and production stages.

OPPOSITION OR OTHER PARTY

(Please make a concise statement for opposing this application or otherwise state the position of the party filing this statement.)

Not Applicable

PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|--|-----------|--|
| Steven K. Smith, Land Manager | 1/2 Hour | Proof of Notice Land Plat Operating Agreement dated October 26, 1990 (covering Bisti Coal 5 Com. #1 well) Authority for Expenditure (AFE) Correspondence Other Exhibits not yet determined |
| John C. Corbett, Vice-President - Exploration | 1/2 Hour | Operating Agreement dated March 26, 1990 (covering Carson Unit 323-15 well) Authority for Expenditure (AFE) Logs on the well Other Exhibits not yet determined |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
|-----------------------------------|-----------|----------|

Unknown at this time.

PROCEDURAL MATTERS

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

None

Tommy Roberts

TOMMY ROBERTS, Attorney for
Giant Exploration & Production Company