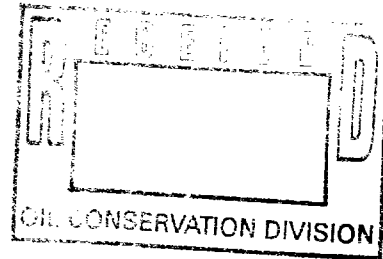


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



APPLICATION OF AMOCO PRODUCTION COMPANY
FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT AND SPECIAL
OPERATING RULES THEREFOR,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11053

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Amoco Production Company _____
c/o J. W. Hawkins _____
Post Office Box 800 _____
Denver, Colorado 800201 _____
(303) 830-5072 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

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

Amoco Production Company, applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 29, Township 31 North, Range 8 West, NMPM, which is currently dedicated to its Kernaghan "B" Well Nos. 3 and 3A located respectively in Units B and O. Applicant proposes to re-enter its Kernaghan "B" Well No. 3A, located at a standard gas well location 980 feet from the South line and 1480 feet from the East line of Section 29, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. Applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of said spacing unit.

OPPOSITION OR OTHER PARTY

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

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Gary Weitz, Landman	5 Min.	Approximately 2
Ira Pasternack, Petroleum Geologist	10 Min.	Approximately 3
J. W. Hawkins, Petroleum Engineer	10 Min.	Approximately 3
Brad Bilyew, Drilling Engineer	10 Min.	Approximately 1

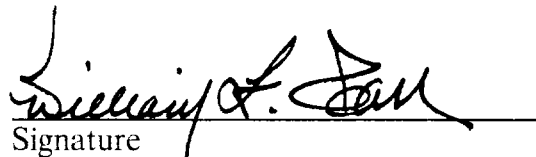
OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

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

Amoco will request that Cases 11053, 11054, 11055, 11056, 11052 and 11051 be consolidated for purposes of hearing.


Signature