

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:

Received
OCD
1/5/01

APPLICATION OF BWB PARTNERS I
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO.

CASE NO. 12571

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by BWB PARTNERS I, as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

BWB Partners I
P. O. Box 51407
Midland, Texas 79710
(915) 682-7818
attn: William H. Bennett

ATTORNEY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying the E/2 and NE/4 of Section 23, T20S, R35E, NMPM, Lea County, New Mexico. Applicant needs an order of the Division pooling the identified and described mineral interests for this spacing unit in order to protect correlative rights and prevent waste.

Applicant requests an order pooling the mineral interest of described in these spacing units for its Byers "23" Well No. 1 to be located at a standard gas well location in Unit G of Section 23 which is to be drilled to test all formation from the surface to the base of the Morrow formation, but excluding the Wolfcamp formation, upon terms and conditions which include:

- (1) BWB Partners I, or its designatee, be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (5) For such other and further relief as may be proper.

PROPOSED EVIDENCE

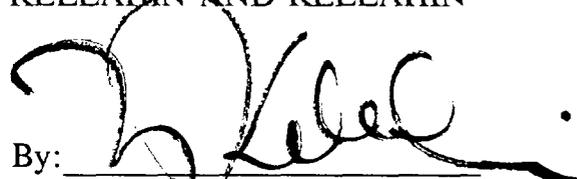
APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
William H. Bennett (land)	20 min.	@ 5 exhibits
Michael Senich (geologist)	20 Min.	@ 4 exhibits
Andy Burleson (petroleum engineer)	10 Min.	@ 2 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN



By: _____
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