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:

CASE NO. 10289

APPLICATION OF BHP PETROLEUM (AMERICAS) INC. FOR AMENDMENT OF DIVISION ORDER R-9351, LEA COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by BHP PETROLEUM (AMERICAS) INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT (name, address, phone and contact person)

ATTORNEY

BHP Petroleum Company Inc. 5847 San Felipe, Ste. 3600 Houston, Texas 77057 Attn: Steve Mahanay (713) 780-5000

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

OPPOSITION OR OTHER PARTY (name, address, phone and contact person)

ATTORNEY



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STATEMENT OF CASE

APPLICANT

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

Division Order No. R-9351 authorized an unorthodox oil well location to test the Strawn formation 1250 feet FSL and 1725 feet FEL (Unit O) of Section 20, T17S, R37E, whereby the SW/4SE/4 of said Section 20 would be dedicated to said well to form a standard 40-acre oil proration unit.

BHP Petroleum (Americas) Inc. seeks to deepen its Kimbrough State Well No. 1 to the base of the Devonian formation and to amend said Order No. R-9351 to include all formations from the base of the Strawn formation to the base of the Devonian formation in the provisions set forth in said Order.

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.)

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PROPOSED EVIDENCE

APPLICANT

WITNESSES (name and expertise)	EST. TIME	EXHIBITS
Randall Davis (landman)	15 Min.	Land Plat
William Morris (geologist)	15 Min.	Devonian Prod. Map Strawn Structure Map

OPPOSITION

WITNESSES EST. TIME EXHIBITS (name and expertise)

PROCEDURAL MATTERS

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

KELLAHIN, KELLAHIN & AUBREY

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