

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

CASE NO. 10344

APPLICATION OF COLLINS & WARE, INC.

PRE-HEARING STATEMENT

This prehearing statement is submitted by Conrad E. Coffield, Attorney for BHP Petroleum (Americas) Inc. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Collins & Ware, Inc.
c/o Bill Seltzer
214 W. Texas Ave., Suite 507
Midland, Texas 79701
(915) 684-5381

ATTORNEY

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

OPPOSITION OR OTHER PARTY

BHP Petroleum (Americas) Inc.
5847 San Felipe, Suite 3600
Houston, Texas 77057
(713) 780-5000
c/o Steve Mahanay

ATTORNEY

Conrad E. Coffield
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Box 3500
Midland, Texas 79701
(915) 683-4691

STATEMENT OF CASE

APPLICANT

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

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.)

1. Geological data reveal unfairness and violation of correlative rights as to BHP and its interests if the OCD should allow drilling of the Applicant's well at a location which is as far off pattern as is requested in the Collins & Ware Application.
2. If the OCD permits Collins & Ware's well to be drilled at the location described in the Application for this case, substantial production penalties should be imposed in order to protect correlative rights of oil and gas interest owners offsetting the Collins & Ware well location.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
1. Bill Morris Geologist	10 - 15 minutes	2 exhibits
2. Wayne Kotovsky Petroleum Engineer (to testify only if needed)	10 minutes or less	no exhibits

PROCEDURAL MATTERS

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



Signature: Conrad E. Coffield
Date: July 24, 1991