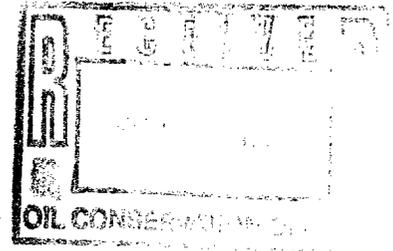


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

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

CASE NO. 10814

IN THE MATTER OF THE APPLICATION OF
COLLINS & WARE, INC. FOR A HIGH
ANGLE/HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT AND SPECIAL OPERATING RULES
THEREFORE, LEA COUNTY, NEW MEXICO.



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

Collins & Ware, Inc. _____
303 W. Wall, Suite 2200 _____
Midland, TX 79701 _____
Attn: Jim Orseth _____
(915) 687-3435 _____

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

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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.)

Collins & Ware, Inc., applicant in the above-captioned case, seeks to initiate a horizontal drilling project in the Devonian formation, Denton-Devonian Pool, underlying the SW/4 SE/4 of Section 26, Township 14 South, Range 37 East. Applicant proposes to re-enter its S. & J. Operating, T. D. Pope Well No. 14 at an orthodox surface location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 26, kick-off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of the proration unit, and for a special project allowable.

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
Randy Ford, Petroleum Engineer	15 Min.	Approximately 6

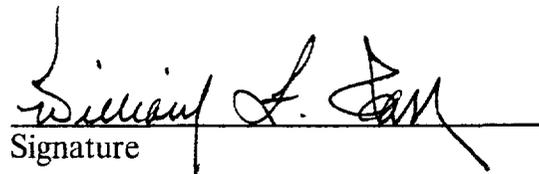
OPPOSITION

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)

This case will be consolidated with Case 10815 and 10816 for the purposes of hearing.


Signature