

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. 10868

APPLICATION OF KINLAW OIL CORPORATION  
FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL  
DRILLING PILOT PROJECT, LEA COUNTY  
NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CODY ENERGY  
COMPANY as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

APPLICANT

Kinlaw Oil Corporation

ATTORNEY

William F. Carr, Esq.

OPPONENT

Cody Energy Company  
Suite 600  
7555 E. Hampton Avenue  
Denver, Colorado 80231  
(303) 932-7130  
Attn: Mr. Jack Gaudin

ATTORNEY

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

**STATEMENT OF CASE**

OPPOSITION OR OTHER PARTY

Cody Energy Company is the working interest owner of the SE/4NE/4 of said Section 2, T15S, R37E and is opposed to the subject well being drilled towards its acreage.

Cody Energy Company requests that the well be drilled towards the west and that the producing portion of the wellbore be no closer than 330 feet to any boundary of the proposed 40-acre spacing unit for the Kinlaw well.

**PROPOSED EVIDENCE**

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
None at this time		

**PROCEDURAL MATTERS**

None applicable at this time.

KELLAHIN AND KELLAHIN

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

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
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CONSIDERING:

CASE NO. 10868

APPLICATION OF KINLAW OIL CORPORATION  
FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL  
DRILLING PILOT PROJECT, SPECIAL  
OPERATING RULES THEREFOR, AND AN  
UNORTHODOX WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

This prehearing statement is submitted by Tanya M. Trujillo, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

APPLICANT

ATTORNEY

Kinlaw Oil Corporation  
3301 Northland, Suite 102  
Austin, Texas 78731  
Attn: Mike Hill

Tanya M. Trujillo  
Campbell, Carr, Berge & Sheridan  
Post Office Box 2208  
Santa Fe, New Mexico 87504

(512) 454-4736 \_\_\_\_\_

(505) 988-4421 \_\_\_\_\_

name, address, phone and  
contact person

OPPOSITION OR OTHER PARTY

ATTORNEY

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name, address, phone and  
contact person

**STATEMENT OF CASE**

APPLICANT

Kinlaw Oil Corporation, applicant, seeks to initiate a horizontal drilling project in the Devonian formation, Denton-Devonian Pool underlying the SW/4 NE/4 of Section 2, Township 15 South, Range 37 East. Applicant proposes to reenter its Mexico "F" Well No. 2 which is at a standard surface location 1980 feet from the North and East lines (Unit G) of Section 2, kick-off from vertical in a northwesterly 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 standard 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
Mike Hill, Geologist	15 Min.	Approximately 4

OPPOSITION

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

  
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Signature