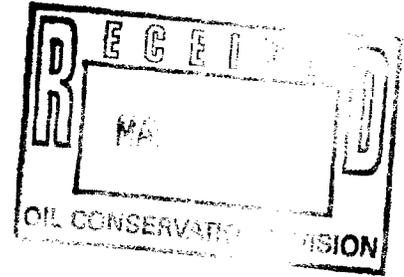


**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

CASE NO. 10983

IN THE MATTER OF THE APPLICATION OF  
COLLINS & WARE, INC. FOR A HIGH ANGLE/  
HORIZONTAL DIRECTIONAL DRILLING PILOT  
PROJECT, SPECIAL OPERATING RULES THEREFOR;  
A NON-STANDARD OIL PRORATION UNIT;  
AND A SPECIAL PROJECT ALLOWABLE,  
EDDY 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**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

( )

**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 high angle/horizontal directional drilling pilot project in the Undesignated East Herradura Bend-Delaware Pool underlying the SW/4 NW/4 and NW/4 SW/4 of Section 31, Township 22 South, Range 29 East, to form a non-standard 80-acre oil spacing and proration unit for said pool. The applicant proposes to complete its existing Quahada Ridge Federal 31 Well No. 1, located at an orthodox surface location 2310 feet from the South line and 330 feet from the West line (Unit L) of said Section 31, by kicking-off from vertical in a northerly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor 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 project area, 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

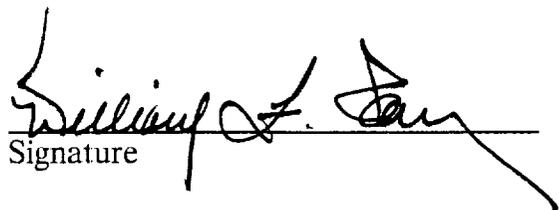
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Jim Orseth, Petroleum Engineer	15 Min.	Approximately 6

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)

  
Signature