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:

APPLICATION OF BP AMERICA PRODUCTION COMPANY TO AMEND ORDER NO. R-12658 TO EXTEND THE AUTHORIZED TIME WITHIN WHICH TO COMPLETE WORK ON WELLS LOCATED IN THE AREAS OF REVIEW FOR INJECTION WELLS IN THE WASHINGTON "33" STATE LEASE WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

CASE NO. 13969

RECEIVED

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

BP America Production Company Attn: Mr. Rusty Arnold 501 Westlake Park Blvd. Houston, Texas 77709 (281) 366-0596

ATTORNEY

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause, seeks the amendment of Order No. R-12658 entered on November 7, 2006, to extend for six months the time authorized within which to complete work on specific wells located in the Areas of Review for certain new injection wells in the Washington "33" State Lease Waterflood Project which encompasses 600

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acres, more or less, of State of New Mexico lands, which is a single oil and gas lease, that is comprised of the following acreage:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM,

EDDY COUNTY, NEW MEXICO

Section 33:

S/2, NE/4, S/2 NW/4, NE/4 NW/4

Said area is located approximately 2 miles southwest of Mossman, New Mexico.

PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

(Name and Expertise)

Rusty Arnold (Petroleum Engineer)

Approx. 10 Minutes

Approx. 4

PROCEDURAL MATTERS

BP America Production Company has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

William F. Carr

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ATTORNEYS FOR BP PRODUCTION AMERICA