

**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 ARCO (BP)  
FOR SIMULTANEOUS DEDICATION,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 12788**

OCT 11 11:31 AM '11

**PRE-HEARING STATEMENT**

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

**APPEARANCES OF PARTIES**

**APPLICANT**

ARCO (BP)  
Attention: Lee Scarborough  
501 Westlake Park Boulevard  
Houston, Texas 77079  
(281) 366-2772

**ATTORNEY**

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

**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to an existing 233.79-acre spacing and proration unit in the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, comprised of irregular Section 31, Township 20.5 South, Range 22 East, NMPM:

- A. the Sweet Thing Federal Unit Well No. 5 to be drilled to test the Morrow A Zone at a location 660 feet from the North line and 1800 feet from the West line; and

- B. the Sweet Thing Federal Unit Well No. 2 which produces from the Morrow B Zone located at a standard gas well location 660 feet from the North and West lines.

Said wells are located approximately 20 miles south of Hope, New Mexico.

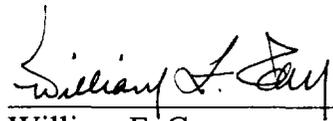
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Lee Scarborough (Landman)	Approx. 10 Minutes	3
Tony McClain (Geologist)	Approx. 15 Minutes	3

**PROCEDURAL MATTERS**

ARCO (BP) has none at this time.

  
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William F. Carr  
Attorney for ARCO (BP)