

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

**IN THE MATTER OF THE APPLICATION  
OF BP AMERICA PRODUCTION  
COMPANY FOR SURFACE  
COMMINGLING, EDDY COUNTY, NEW  
MEXICO.**

COPIED  
12/11/08  
11:27 AM  
CASE NO. 12967

**APPLICATION OF BP AMERICA  
PRODUCTION COMPANY FOR  
SURFACE COMMINGLING, EDDY  
COUNTY, NEW MEXICO.**

CASE NO. 12968

**PRE-HEARING STATEMENT**

This Prehearing Statement is submitted by Trilogy Operating, Inc., by and through counsel, Montgomery & Andrews, P.A. as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

BP America Production Company

**ATTORNEY**

Michael H. Feldewert, Esq.

**OPPOSITION OR OTHER PARTY**

Trilogy Operating, Inc.  
Post Office Box 7606  
Midland, Texas 79708  
(915) 686-2027

**ATTORNEY**

Paul R. Owen, Esq.  
Montgomery & Andrews, P.A.  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873

STATEMENT OF CASE

APPLICANT

BP America Production Company seeks approval to surface commingle gas production from certain leases.

OPPONENT

Attached to Trilogy's November 21, 2002 Prehearing Statement was an audit report which detailed accounting issues related to Applicant's surface commingling of production from wells which are included in the current Applications. Trilogy will discuss the documentation supporting that audit report and the reasons why that audit report indicates that surface commingling should not be approved in these cases. Specifically, Trilogy will demonstrate that Applicant does not appropriately attribute production to individual wells, or accurately measure or determine the hydrocarbon production each common source of supply, pursuant to either the Commission's Manual for the Installation and Operation of Commingling Facilities, or with the provisions adopted by the Commission in Order No. R-11877. Trilogy will detail the inadequacies of Applicant's accounting and the resultant prejudice to the owners of interests in the production which Applicant seeks to commingle.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Jerry Weant	Approx. 30 min.	Approx. 10
Teresa Nunley, CPA	Approx. 60 min.	Approx. 10

PROCEDURAL MATTERS

MONTGOMERY & ANDREWS, P.A.

By: Paul R. Owen *by sms*  
Paul R. Owen  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873  
ATTORNEY FOR TRILOGY  
OPERATING, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that on this 3rd day of January, 2003, I have caused a copy of our Prehearing Statement in the above-captioned case to be hand-delivered to the following named parties:

Michael H. Feldewert, Esq.  
Holland & Hart  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501  
Attorneys for BP America Production Company

  
Paul R. Owen

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