

**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. 13384

**APPLICATION OF BP AMERICA PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

2004 DEC 30 AM 10 38

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, Inc.
Attn: Mr. J. P. Adams
Post Office Box 3092
Houston, Texas 77253-3092
(281) 366-2537

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from the top of the Bone Spring formation at an approximate depth of 3000 feet to the base of the Morrow formation in the following described spacing and proration units located in the W/2 of Section 28, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico:

Pre-Hearing Statement
NMOCD Case No. 13384
Page 2

the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the North Turkey Track-Morrow Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 SW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not limited to the Undesignated Travis-Upper Pennsylvanian Pool; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Travis-Bone Spring Pool and the Undesignated Travis-Wolfcamp Pool. Said units are to be dedicated to its Saguaro State Well No. 1 to be drilled at a standard gas well location 1680 feet from the South line and 990 feet from the West line (Unit L) of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BP America Production Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 13.5 miles southwest of Loco Hills, New Mexico.

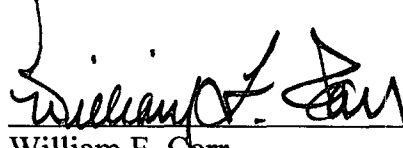
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
J. P. Adams (Land)	Approx. 20 Minutes	Approx. 8

PROCEDURAL MATTERS

BP America Production Company has none at this time.



William F. Carr
Attorney for BP America Production
Company