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

RECEIVED

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

JUL 7 2003

Oil Conservation Division

CASE NO. 13104

APPLICATION OF BP AMERICA, INC. FOR AN EXCEPTION TO THE REQUIREMENTS FOR THE BASIN DAKOTA GAS POOL, SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

BP America, Inc. Attn: Mr. Bill Hawkins Regulatory Affairs 1660 Lincoln Street, Suite 3000 Denver, Colorado 80264 (303) 830-3259 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 exception to the well density requirements of Rule II. B of the Special Rules and Regulations for the Basin-Dakota Gas Pool to permit it to

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produce the following two Dakota wells located in the same quarter-quarter section (NW/4 NE/4) on a standard spacing and proration unit comprised of the North half of Section 1, Township 31 North, Range 11 West, NMPM:

- the Childers Well 1-E located 1100 feet from the North line and 1750 feet from the East line of the section, and
- the Childers Well No. 1-M located 705 feet from the North line and 2225 feet from the East line of the section.

Said wells are located approximately 20 miles northeast of Farmington, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

(Name and Expertise)

Bill Hawkins

(Petroleum Engineer)

Approx. 20 Minutes

Approx. 5

PROCEDURAL MATTERS

BP America Inc. has none at this time.

William F. Carr

Attorney for BP America Inc.