

**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 KEYSTONE PETROLEUM NM LLC  
FOR APPROVAL OF A UNIT AGREEMENT, CHAVES  
COUNTY, NEW MEXICO.**

**CASE NO. 14594**

RECEIVED OOD  
2011 FEB 10 1:32

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Keystone Petroleum NM LLC as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Keystone Petroleum LLC.  
Attn: R. Keith Turner  
1331 Lamar, Suite 1450  
Houston, Texas 77010  
(713) 753-1283

**ATTORNEY**

Ocean Munds-Dry, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF THE CASE**

Applicant seeks approval of the West Newmill 4-26 Exploratory Unit from the surface to the base of the Fusselman-Montoya formation in an area comprising 4960 acres of State of New Mexico and Fee lands in Sections 9, 14, 15, 16, 21, 22, 23, 26, 27 and 28 in Township 4 South, Range 26 East, NMPM, which is located approximately 45 miles South-Southeast of Elkins, New Mexico.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

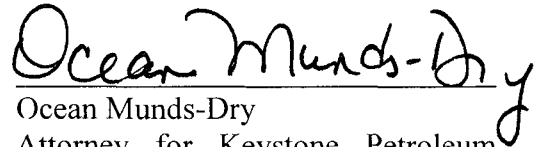
EXHIBITS

By Affidavit

**PROCEDURAL MATTERS**

Keystone Petroleum NM LLC has none at this time.

Sincerely,

A handwritten signature in cursive script that reads "Ocean Munds-Dry". The signature is written in black ink and is positioned above the printed name and title.

Ocean Munds-Dry  
Attorney for Keystone Petroleum  
NM LLC