

**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

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.
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Post Office Box 2208
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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.

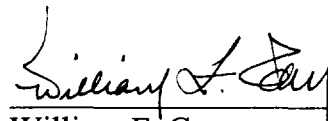
PROPOSED EVIDENCE

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.



William F. Carr
Attorney for ARCO (BP)