

**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 NOS. 10345  
and 10346

APPLICATION OF BHP PETROLEUM  
(AMERICAS) INC. FOR  
COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.

**RECEIVED**

JUL 19 1991

OIL CONSERVATION DIVISION

**PRE-HEARING STATEMENT**

This Prehearing Statement is submitted by William F. Carr, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

BHP Petroleum (Americas) Inc.\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
( )

name, address, phone and  
contact person

**ATTORNEY**

James G. Bruce\_\_\_\_\_  
Hinkle, Cox, Eaton, Coffield & Hensley  
500 Marquette, NW, #800\_\_\_\_\_  
Albuquerque, New Mexico 87102\_\_\_\_\_  
(505) 768-1500\_\_\_\_\_

**OPPOSITION OR OTHER PARTY**

Louise Y. Locke\_\_\_\_\_  
d/b/a Locke-Taylor Drilling Co.\_\_\_\_\_  
139-1/2 East 2nd Street\_\_\_\_\_  
Rifle, CO 81650\_\_\_\_\_  
( )

name, address, phone and  
contact person

**ATTORNEY**

William F. Carr\_\_\_\_\_  
Campbell & Black, P.A.\_\_\_\_\_  
Post Office Box 2208\_\_\_\_\_  
Santa Fe, New Mexico 87504\_\_\_\_\_  
(505) 988-4421\_\_\_\_\_

**STATEMENT OF CASE**

**APPLICANT**

**OPPOSITION OR OTHER PARTY**

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Louise Y. Locke, d/b/a Locke-Taylor Drilling Company opposes the compulsory pooling applications of BHP Petroleum (Americas) Inc. which affect her interest in the S/2 of Section 23, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico. BHP failed to seek or obtain voluntary agreement with Mrs. Locke for the development of the W/2 of Section 23 and drilled its Gallegos Canyon Unit Well No. 390 at its own risk. BHP has no right to drill the Gallegos Canyon Unit Well No. 391 in the NE/4 of Section 23 and in so doing, illegally trespassed on Mrs. Locke's lands and has and/or will damage her property interests in the N/2 of Section 23.

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**  
(Name and expertise)

**EST. TIME**

**EXHIBITS**

**OPPOSITION**

**WITNESSES**  
(Name and expertise)

**EST. TIME**

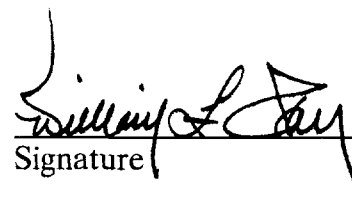
**EXHIBITS**

Ewell N. Walsh, (Petroleum Engineer)

20 Min.

Approximately 5

**PROCEDURAL MATTERS**

  
Signature

# HINKLE, COX, EATON, COFFIELD & HENSLEY

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OF COUNSEL

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JOE W. WOOD

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CLARENCE E. HINKLE 1904-1985

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ROY C. SNODGRASS, JR. 1914-1987

July 12, 1991

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LISA K. SMITH\*

\*NOT LICENSED IN NEW MEXICO

Ms. Florene Davidson  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Dear Florene:

Enclosed for filing is a Pre-Hearing Statement for case nos.  
10,345 and 10,346.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By: James Bruce

JB:le  
Enclosures

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

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JUL 18 1991

IN THE MATTER OF THE HEARING  
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DIVISION FOR THE PURPOSE OF  
CONSIDERING:

OIL CONSERVATION DIVISION

Case Nos. 10,345  
and 10,346

APPLICATIONS OF BHP PETROLEUM  
(AMERICAS) INC. FOR COMPULSORY  
POOLING, SAN JUAN COUNTY, NEW  
MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as  
required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

BHP Petroleum (Americas) Inc.  
5847 San Felipe, Suite 3600  
Houston, Texas 77057  
(713) 780-5000  
Attention: Donald Reinhardt

**ATTORNEY**

James Bruce  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
500 Marquette, N.W.  
Suite 800  
Albuquerque, N.M. 87102  
(505) 768-1500

**OPPOSITION OR OTHER PARTY**

Louise Locke

**ATTORNEY**

William F. Carr

**STATEMENT OF CASE**

**APPLICANT**

Applicant owns or operates the S $\frac{1}{2}$ , and also is the operator of approximately 137 acres of the NE $\frac{1}{4}$ , all in Section 23-29 North-13 West, as to the Fruitland Coal formation. Louise Locke owns the leasehold in the N $\frac{1}{2}$  of Section 23 as to the Fruitland Coal formation. BHP has drilled but not completed wells in the SW $\frac{1}{4}$  and NE $\frac{1}{4}$  of the section, and has dedicated the W $\frac{1}{2}$  and E $\frac{1}{2}$  of Section 23 to said wells, respectively. Louise Locke has refused to join in the drilling of the wells or otherwise commit her interests, apparently claiming that the well units should be laydown units. Therefore, BHP seeks to pool the Locke interests into the wells, be named operator of both wells, and have a penalty assessed against Louise Locke if she goes non-consent under the pooling orders.

Pre-Hearing Statement  
NMOCD Case Nos. 10,345  
and 10,346  
Page Two

OPPOSITION OR OTHER PARTY

## PROPOSED EVIDENCE

APPLICANT

WITNESS	EST. TIME	EXHIBITS
Donald Reinhardt (Landman)	25 minutes	(a) Land Plat (b) Correspondence (c) AFE for each Well  (d) Unit Agreement and documents regarding sub-operator of the Fruitland Coal formation  (e) Farmout Agreement  (f) Leases and assignments
<u>                                </u> (Petroleum Engineer)	10 minutes	(a) Coal thickness map
Chris Camden (Reservoir Engineer)	25 minutes	

## OPPOSITION

WITNESS	EST. TIME	EXHIBITS
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## PROCEDURAL MATTERS

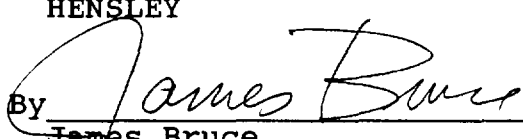
(Please identify any procedural matters which  
need to be resolved prior to the hearing)

Pre-Hearing Statement  
NMOCD Case Nos. 10,345  
and 10,346  
Page Three

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By

  
James Bruce  
500 Marquette, N.W.  
Suite 800  
Albuquerque, N.M. 87102  
(505) 768-1500  
Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of  
the foregoing Pre-Hearing Statement was mailed this 15<sup>th</sup> day  
of July, 1991 to William F. Carr, P. O. Box 2208, Santa Fe,  
New Mexico 87504.

By

  
James Bruce