

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

RECEIVED

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

SEP 11 1992

OIL CONSERVATION DIVISION

Case No. 10346 (De Novo)
Order No. R-9584-A

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

LOUISE Y. LOCKE D/B/A LOCKE-TAYLOR DRILLING
COMPANY'S OBJECTION TO WELL COSTS

COMES NOW Louise Y. Locke d/b/a Locke-Taylor Drilling Company ("Locke") and objects to the actual well costs of the Gallegos Canyon Unit #391 Well, and states as follows:

1. Pursuant to Order No. R-9584-A(6) issued June 29, 1992 Locke, as a non-consenting working interest owner, may file with the Oil Conservation Commission an objection to the actual wells costs provided to her by BHP Petroleum (Americas), Inc. ("BHP").
2. Such objection to the actual well costs may be filed at least 45 days after receiving the schedule of actual well costs, but not more than 90 days after receipt of the same well costs.
3. Locke received an itemized schedule of actual drilling costs incurred to date and a schedule of estimated well completion costs on or about July 27, 1992.
4. At least 45 days, but not more than 90 days, have elapsed since Locke received these schedules.

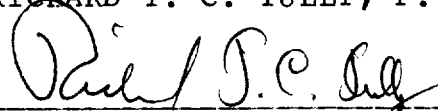
5. Locke objects to certain actual drilling costs incurred to date as shown on the schedule provided to her, including, but not limited to the following:

Rental Tools Equipment
Rig Move
Personnel Transportation
Drill Bits/Reamers
Engineering & Consulting
Location Dirtwork/Clean Up
Drilling Permits/Bonds
Drilling Title Opinion
Materials & Supplies
Company Labor/Supervision
Contract Labor
Other Drilling Costs-Legal

6. Locke has not received a schedule of actual completion costs incurred to date, but only a schedule of estimated completion costs, and she reserves any objections she may have to such actual completion costs when these costs are provided to her by BHP.

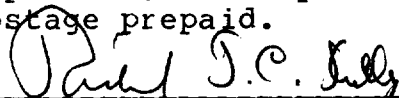
Respectfully submitted,

RICHARD T. C. TULLY, P. A.



Richard T. C. Tully, Esq.
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I hereby certify that a copy of the foregoing Objection To Well Costs was mailed to Owen M. Lopez, Esq. and Jon Bowden, Esq. on this 11th day of September, 1992 by first class mail, postage prepaid.



Richard T. C. Tully, Esq.
S187/52532OBJ