

**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 NO. 10808

APPLICATION OF KINLAW OIL CORPORATION  
FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL  
DRILLING PILOT PROJECT AND SPECIAL  
OPERATING RULES THEREFORE,  
LEA COUNTY, NEW MEXICO.

**PRE-HEARING STATEMENT**

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Kinlaw Oil Corporation  
3301 Northland, Suite 102  
Austin, Texas 78731  
Attn: Mike Hill

(512) 454-4736\_\_\_\_\_

name, address, phone and  
contact person

**ATTORNEY**

William F. Carr  
Campbell, Carr, Berge & Sheridan  
Post Office Box 2208  
Santa Fe, New Mexico 87504

(505) 988-4421\_\_\_\_\_

**OPPOSITION OR OTHER PARTY**

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

name, address, phone and  
contact person

**ATTORNEY**

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**STATEMENT OF CASE**

**APPLICANT**

Kinlaw Oil Corporation, applicant, seeks to initiate a horizontal drilling project in the Devonian formation, Denton-Devonian Pool underlying the SE/4 SW/4 of Section 36, Township 15 South, Range 37 East. Applicant proposes to re-enter its Shell Oil Company State "SDA" Well No. 2 which is at an orthodox location 660 feet from the South line and 1650 feet from the West lines (Unit N) of said Section 36, kick-off from vertical in a southwesterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of the proration unit, and for a special project allowable.

**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.)

**PROPOSED EVIDENCE**

**APPLICANT**

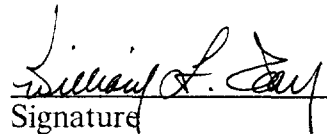
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mike Hill, Geologist	15 Min.	Approximately 4
Dave Phillips, Petroleum Engineer	10 Min.	Approximately 2

**OPPOSITION**

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

Kinlaw will request that this case be consolidated for the purpose of hearing with Cases 10807 and 10809.

  
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Signature