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:

CASES: 10019, 10020,

10021, and 10022

APPLICATIONS OF MERIDIAN OIL INC. FOR UNORTHODOX COAL GAS WELL LOCATIONS, SAN JUAN COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by B.B.L., Ltd. as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Meridian Oil Inc.

W. Thomas Kellahin

OPPOSITION OR OTHER PARTY

ATTORNEY

B.B.L., Ltd. c/o Breck Operating Corp. P. O. Box 911 Breckenridge, Texas 76024 (817) 559-3355 Attention: R. A. Holloway Hinkle, Cox, Eaton,
Coffield & Hensley
James Bruce
500 Marquette, N.W.
Suite 800
Albuquerque, N.M. 87102
(505) 768-1500

STATEMENT OF CASE

APPLICANT

(Please make a concise statement os what is being sought with this application and the reasons therefore.)

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OR OUR BROKENS OR

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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.)

B.B.L., Ltd is an offset interest owner. The unorthodox locations are not necessitated by geology, and should be denied. Granting the application would adversely affect B.B.L., Ltd.'s correlative rights.

PROPOSED EVIDENCE

APPLICANT

WITNESS EST. TIME EXHIBITS (Name and expertise)

OPPOSITION

WITNESSES EST. TIME EXHIBITS (Name and expertise)

Red Walsh 20 minutes Engineer

PROCEDURAL MATTERS

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

James Bruce

Attorney for Applicants

500 Marquette, N.W.

Suite 800

Albuquerque, New Mexico 87102

Unknown at

this time.

(505) 768-1500