WHAT IS CLAIMED IS:

1. A method of setting an expandable liner hanger in a subterranean well, the method comprising the steps of:

releasably securing a liner hanger setting tool to the liner hanger, the setting tool including an expansion cone for displacing through the liner hanger; and

conveying the setting tool and liner hanger into the well on a generally tubular work string, wherein no portion of the liner hanger extends longitudinally between the expansion cone and the work string.

2. The method of claim 1, further comprising the step of displacing the expansion cone through the liner hanger, the expansion cone being pressure balanced during the displacing step.

3. The method of claim 1, wherein the releasably securing step further comprises positioning the expansion cone between an anchoring device and the work string.

4. The method of claim 1, wherein the releasably securing step further comprises positioning the expansion cone between an anchoring device and at least one piston.

5. The method of claim 4, wherein the piston displaces the expansion cone through the liner hanger in response to a pressure differential between an exterior of the setting tool and an internal flow passage of the setting tool.

6. The method of claim 5, further comprising the step of opening a port providing fluid communication between the exterior of the setting tool and an internal chamber of the setting tool in response to displacement of the piston a predetermined distance.

7. The method of claim 4, wherein the setting tool includes multiple pistons, and wherein each of the pistons applies a respective biasing force to the expansion cone in response to the pressure differential.

8. A liner hanger setting tool for setting an expandable liner hanger in a subterranean well, the setting tool comprising:

an expansion cone, which is displaceable through the liner hanger to expand the liner hanger;

at least one piston positioned on a first side of the expansion cone;

an anchoring device for releasably securing the setting tool to the liner hanger, the anchoring device being positioned on a second side of the expansion cone opposite the first side; and

the expansion cone being pressure balanced between its first and second sides when the expansion cone is displaced through the liner hanger.

9. The setting tool of claim 8, further comprising a port which is openable to provide fluid communication between an exterior of the setting tool and an inner chamber of the setting tool in response to displacement of the piston a predetermined distance.

10. The setting tool of claim 8, wherein at least a portion of the expansion cone is positioned longitudinally

between the liner hanger and the piston when the liner hanger is releasably secured to the setting tool.

11. The setting tool of claim 8, wherein the piston is responsive to a pressure differential between an inner flow passage and an exterior of the setting tool to displace the expansion cone through the liner hanger.

12. The setting tool of claim 11, further comprising a valve which is selectively closable to isolate a first portion of the flow passage from a second portion of the flow passage in fluid communication with an interior of the liner hanger, and a venting device which provides fluid communication between the flow passage second portion and the exterior of the setting tool in response to a predetermined pressure differential between the flow passage second portion and the exterior of the setting tool.

13. The setting tool of claim 11, wherein the setting tool includes multiple pistons, each of the pistons being operative to apply a respective biasing force to the expansion cone in response to the pressure differential.

14. The setting tool of claim 13, wherein the pistons are annular shaped and circumscribe a generally tubular inner mandrel of the setting tool.

WHAT IS CLAIMED IS:

1. A method of setting an expandable liner hanger in a subterranean well, the method comprising the steps of:

releasably securing a liner hanger setting tool to the liner hanger using an anchoring device, the setting tool including a central flow passage and at least one piston which displaces an expansion cone being positioned between the anchoring device and the piston;

conveying the setting tool and liner hanger into the well on a generally tubular work string, wherein no portion of the liner hanger extends longitudinally between the expansion cone and the work string; and

applying a first increased pressure to the central flow passage, thereby closing a valve which prevents flow through the central flow passage.

2. The method of claim 1, wherein the releasably securing step further comprises positioning the expansion cone between an anchoring device and the work string.

3. The method of claim 1, further comprising the step of displacing the expansion cone through the liner hanger, the expansion cone being pressure balanced during the displacing step.

4. The method of claim 3, wherein the at least one piston displaces the expansion cone through the liner hanger in response to application of a second increased pressure to the central flow passage after the valve is closed.

5. The method of claim 4, wherein the setting tool includes multiple pistons, and wherein each of the pistons applies a respective biasing force to the expansion cone in response to the second increased pressure.

6. The method of claim 5, wherein the pistons are annular shaped and circumscribe a generally tubular inner mandrel of the setting tool, and further comprising the step of displacing the inner mandrel to release the anchoring device from the liner hanger.

7. The method of claim 5, further comprising the step of opening a port in response to displacement of the at least one piston a predetermined distance, thereby providing fluid communication between the central flow passage and an exterior of the setting tool.

8. The method of claim 7, wherein a closure member displaces in response to the displacement of the at least one piston, thereby opening the port.

9. The method of claim 8, wherein the closure member comprises an internal sleeve.

10. A liner hanger setting tool for setting an expandable liner hanger in a subterranean well, the setting tool comprising:

an expansion cone, which is displaceable through the liner hanger to expand the liner hanger;

at least one piston positioned on a first side of the expansion cone;

an anchoring device for releasably securing the setting tool to the liner hanger, the anchoring device being positioned on a second side of the expansion cone opposite the first side; and

a valve which closes in response to a pressure differential between an inner flow passage and an exterior of the liner hanger setting tool, thereby isolating a first portion of the flow passage from a second portion of the flow passage in fluid communication with an interior of the liner hanger.

11. The setting tool of claim 10, further comprising a port which opens in response to displacement of the piston a predetermined distance, thereby providing fluid communication between an exterior of the setting tool and an inner chamber of the setting tool.

12. The setting tool of claim 10, wherein at least a portion of the expansion cone is positioned longitudinally between the liner hanger and the piston when the liner hanger is releasably secured to the setting tool.

13. The setting tool of claim 10, wherein the piston displaces the expansion cone through the liner hanger in response to the pressure differential.

14. The setting tool of claim 10, further comprising a venting device which provides fluid communication between the flow passage second portion and the exterior of the setting tool in response to a predetermined pressure

differential between the flow passage second portion and the exterior of the setting tool.

15. The setting tool of claim 10, wherein the setting tool includes multiple pistons, and wherein each of the pistons applies a respective biasing force to the expansion cone in response to the pressure differential.

16. The setting tool of claim 15, wherein the pistons are annular shaped and circumscribe a generally tubular inner mandrel of the setting tool.