

Campbell Trial Law, LLC

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2011 JUN 10 A 11: 46

June 10, 2011

VIA HAND DELIVERY

Florene Davidson
OCD Staff Specialist
Oil Conservation Division
Department of Energy, Minerals
And Natural Resources
1220 St. Francis Drive
Santa Fe, New Mexico 87505

Re: OCD Case Nos. 14613 and 14647 (Consolidated)

Dear Ms. Davidson:

Enclosed for filing in the above-referenced case, on behalf of Burnett/Hudson are:

1. Closing Statement of Burnett Oil Co., In and Hudson Oil Company of Texas, with Exhibits 55 through 60, and;
2. Motion to Admit Burnett/Hudson's Exhibits 55, 56, 57, 58A, 58B and 60 As Late-Filed Exhibits; or, Alternatively, Motion to Reopen the Hearing.

I have included courtesy copies of these filing for Examiners Ezeanyim and Brooks. Thank you for your attention to this matter.

Very truly yours,



Michael Campbell

Cc: Counsel of Record, with enclosures

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

RECEIVED OGD
2011 JUN 10 A 11:47

APPLICATION OF COG OPERATING LLC FOR
SPECIAL RULES AND REGULATIONS FOR THE
ARTESIA GLORIETA-YESO POOL *ET AL.*, AND
CANCELLATION OF OVERPRODUCTION, LEA
AND EDDY COUNTIES, NEW MEXICO

Case No. 14613

and

CONSOLIDATED

APPLICATION OF BURNETT OIL CO., INC. AND
HUDSON OIL COMPANY OF TEXAS FOR
CONSOLIDATION AND EXPANSION OF AND
ADOPTION OF SPECIAL POOL RULES FOR
CERTAIN YESO POOLS, INCLUDING CEDAR
LAKE GLORIETA-YESO POOL *ET AL.* IN
LEA AND EDDY COUNTIES, NEW MEXICO

Case No. 14647

MOTION TO ADMIT BURNETT/HUDSON EXHIBITS 55, 56, 57,
58A, 58B, 59 AND 60 AS LATE FILED EXHIBITS; OR,
ALTERNATIVELY, MOTION TO REOPEN THE HEARING

COME NOW BURNETT OIL CO., INC. ("Burnett") and HUDSON OIL
COMPANY OF TEXAS ("Hudson") and file this their Motion to Admit Burnett/Hudson
Exhibits 55, 56, 57, 58A, 58B, 59 and 60 as late filed exhibits; or, alternatively, their
Motion to Reopen the Hearing, and in support thereof would show the following:

I. MOTION TO ADMIT AS LATE FILED EXHIBITS.

At the end of the hearing in these cases, Examiner Ezeanyim requested that the
parties file any additional data they thought relevant or helpful in connection with the
question he posed concerning whether or not the reservoirs at issue in this case exhibit

sensitivity to the rates of production of oil or gas. Examiner Ezeanyim stated that he thought his question would be the determinative issue for his decision. In response to this inquiry, Burnett and Hudson, and Wayman Gore, their testifying consulting engineering witness, made searches through industry literature and records of the Railroad Commission of Texas, and the data compiled and presented in Exhibits at the hearing. Filed herewith as Burnett/Hudson Exhibits 55, 56, 57, and 58A & B are, respectively, an Affidavit from Wayman Gore identifying and verifying Exhibits 56 - 58.

In addition, and as a material part of the response to the Examiner's question, Burnett and Hudson engaged F. J. "Deacon" Marek of the worldwide petroleum consulting firm of William M. Cobb & Associates, Inc., to construct a computer reservoir model of the Paddock member of the Yeso formation, and then run various iterations of model simulations with different rates of oil production in the Paddock per 40 acres, with and without a limiting gas/oil ration of 2000:1, and with 20 acre and 10 acre well density. The model runs tested six different oil allowables, from 50 barrels per day per 40 acres at the low end, to 300 barrels per day per 40 acres at the high end, and in all six oil allowable cases with or without a GOR of 2000:1, and with 20 acre or 10 acre density. The results of this modeling study and a summary of its description are filed herewith as Burnett/Hudson Exhibit 60. Mr. Marek's Affidavit identifying and verifying Burnett/Hudson Exhibit 60 is filed herewith as Exhibit 59.

All of the information contained in Burnett/Hudson Exhibits 55 - 60 is relevant and material both to the Examiner's question, and to the Examiner's deliberation on the order that should be entered by the Division in these cases, in order to prevent waste of

millions of barrels of producible oil and hundreds of millions of dollars of capital and operating expenses from drilling unnecessary, wasteful and uneconomic wells on 10 acre density. This information is timely, relevant and material and should be admitted as evidence in the case.

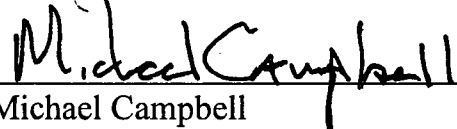
II. MOTION TO REOPEN.

In the alternative to Burnett/Hudson's Motion to Admit its Exhibits 55 – 60, Burnett and Hudson move to reopen the case so that they may present Wayman Gore and Deacon Marek as witnesses to sponsor and explain these Exhibits, and offer them into evidence. Indeed, the importance of the Order in these cases, and the significant, relevant and material evidence that these Exhibits present, much of which did not exist at the time of the hearing, justifies reopening the hearing for this purpose, and to allow full questioning of the sponsoring witnesses by the parties' attorneys and the Examiners.

WHEREFORE, PREMISES CONSIDERED, Burnett and Hudson respectfully request that the Examiners either admit their Exhibits 55 – 60 as late filed Exhibits, without reopening the hearing; or, alternatively, that the hearing be reopened so that they may present Wayman Gore and Deacon Marek as witnesses to sponsor, explain and offer these Exhibits.

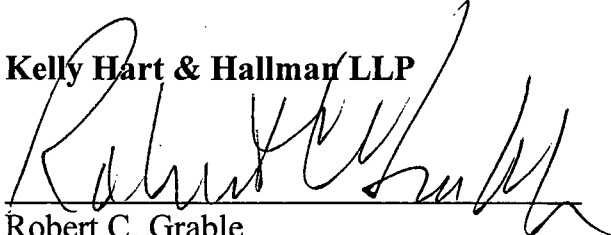
RESPECTFULLY SUBMITTED,

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**Attorneys for Burnett Oil Co., Inc.
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CERTIFICATE OF SERVICE

I certify that on the 10th day of June, 2011, I served a copy of this document to the following persons by e-mail:

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Michael Campbell