

**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:**

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY LP FOR
COMPULSORY POOLING
SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 14734

AMENDED PRE-HEARING STATEMENT

As a result of a pre-hearing statement filed by Koch Exploration Company, this amended pre-hearing statement is submitted by Burlington Resources Oil & Gas Company LP

APPEARANCES OF THE PARTIES

APPLICANT

Burlington Resources Oil & Gas Company
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ATTORNEY

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OTHER PARTIES

Koch Exploration Company

ATTORNEY

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AMENDED STATEMENT OF THE CASE

APPLICANT:

Burlington Resources Oil & Gas Company LP ("Burlington") pursuant to Section 70-2-17.C NMSA (1979), seeks an order pooling all mineral interests in the Gallup formation underlying the SE/4 and Dakota formation underlying Lots 1 and 2, S/2NE/4 and SE/4 (E/2 equivalent) of Section 2, T25N, R9W, NMPM, San Juan County, New Mexico, forming a standard 320.39-acre gas spacing and proration unit for Dakota formation spaced on 320-acre spacing and a standard 160-acre gas spacing and proration unit for the Gallup formation. This unit is to be dedicated to its Huerfano Unit Com Well No. 311 (API # 30-045-35291) to be drilled and completed at a standard surface well in Unit I.

While the Dufers Point Gallup-Dakota pool includes all of the Mancos (Gallup) formations and the Dakota, Burlington will show how it will downhole commingled wellbore for production from Dakota and Gallup formations and allocate costs and production between the oil and gas zones.

In addition, Burlington requests that the Division adopt cost and production allocation procedures between the Gallup and Dakota, a COPAS accounting procedure with the annual COPAS overhead cost adjustment, payment default provisions and future proposed recompletions provisions. Also to be considered will be the costs of drilling and completing said wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a 200% charge for the risk involved in this well.

Burlington has proposed a Joint Operating Agreement dated June 1, 2011 by and between Burlington, as operator, and Koch Exploration Company and others, as non-operators for these two Drill Blocks. This 2011-JOA provides for the drilling of Gallup and Dakota wellbores constituent with the current well spacing and density orders for these formations and also provides other contemporary provisions including those for cost allocation procedures, payment default provisions and future proposed recompletions.

Burlington despite reasonable effort has been unable to obtain the voluntary agreement of all the interest owners in this spacing unit. Pursuant to Sections 70-2-17.C and 70-2-17.E NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Burlington needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBITS

Terry B. Simcoe, petroleum landman

@ 45 min.

@ 8-12

POSSIBLE WITNESS

John Poore Petroleum engineer

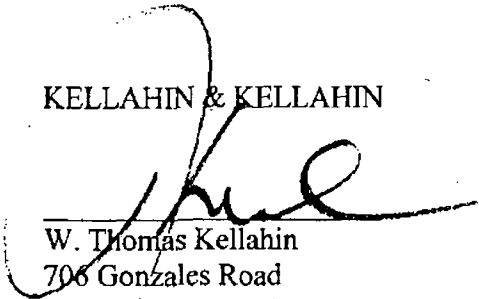
@ 25 min

@ 6

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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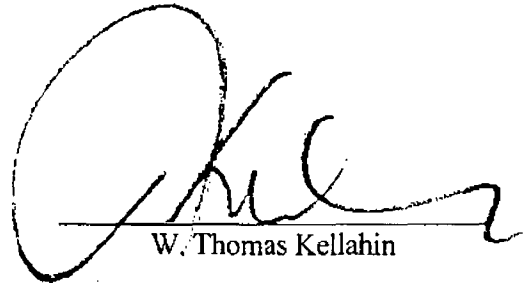
CERTIFICATION OF SERVICE

I hereby certify that a copy of this pleading was served upon the following counsel of record this 11th day of October 2011, by email

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