

**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 APPROVAL OF
A PILOT INFILL WELL PROJECT WITHIN
THE SAN JUAN 27-5 UNIT,
RIO ARriba COUNTY, NEW MEXICO**

**CASE NO. 13888
(Reopened & Amended)**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Burlington Resources Oil & Gas Company LP as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Burlington Resources Oil & Gas Company LP
P. O. Box 4289
Farmington, New Mexico 87499-4289
Attn: Alan Alexander
505-326-9757

ATTORNEY

W. Thomas Kellahin
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OPPONENT

None

ATTORNEY

WTT 8/13/67

STATEMENT OF THE CASE

APPLICANT:

Burlington is the current operator of the San Juan 27-5 Unit that includes, among other acreage, all of Section 8, T27N, R5W, Rio Arriba County, New Mexico. Section 8, T27N, R5W was selected by Burlington as the proposed Pilot Project Area that currently contains 7 producing wells.

At a hearing held by the Division on March 15, 2007, Burlington sought an order approving a pilot infill well project in Section 8, T27N R5W, including directional wellbores and exceptions from Rule I. B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool and Rule II. B. of the Special Rules and Regulations of the Basin-Dakota Gas Pool whereby 15 new producing and 2 pressure observation wells may be drilled within Section 8, Township 27 North Range 5 West to determine proper well density and well locations requirements for Mesaverde and Dakota wells with this Unit, Rio Arriba County, New Mexico.

After the March 15, 2007, hearing, Burlington discovered that certain of the requested well locations were adversely affected by buried pipelines and other obstructions my apparent that the time of the hearing.

Burlington has determined that the affected wells can be relocated without adversely affecting the pilot project. The requested amended location are set forth on Exhibits "B" attached to the application.

Approval of a Pilot Project and the amended locations will afford an opportunity to:

- a. Determine the optimum well density for both the Mesaverde and the Dakota formations within the San Juan 27-5 Unit
- b. Confirm the economic viability for increasing well densities
- c. Validate the reservoir simulation and geologic studies that were used for the preliminary modeling for this project

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBITS

Neal Roberts (Petroleum Engineer)

20 Min.

8 exhibits

PROCEDURAL MATTERS

None at this time.

KELLAHIN & KELLAHIN

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the printed name 'KELLAHIN & KELLAHIN'.

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