

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. 14324

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2009 MAY 26 AM 11:55

PRE-HEARING STATEMENT

This amended 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  
3535 West 32<sup>nd</sup> Street  
Farmington, NM 87501  
Attn: Alan Alexander  
Phone 505-326-9757

ATTORNEY

W. Thomas Kellahin  
706 Gonzales Road  
Santa Fe, New Mexico 87501  
phone 505-982-4285  
Fax 505-982-2047

OTHER PARTIES

None

ATTORNEY

6/9/09/5 JAM

## STATEMENT OF THE CASE

### APPLICANT:

- (1) Burlington, an affiliate of ConocoPhillips Company, is a working interest owner and the proposed operator for the Mansfield Well No. 2B well to be dedicated Lots 1-4, E/2W/2 of Section 19 and Lots 1-2, E/2NW/4 of Section 30, T30N, R9W, NMPM, San Juan County, New Mexico, dedicated to a existing non-standard 310.56-acre gas spacing and proration unit
- (2) Burlington has proposed to drill, complete and operate the Mansfield Well No. 2B well as a directional wellbore and if productive to downhole commingle Dakota and Mesaverde production.
- (3) By letter dated April 3, 2009, Burlington proposed the drilling of this well to the working interest owners.
- (4) All of the interest owners in the Mesaverde formation have agreed to participate in this well, but two owners in the Dakota formation have declined: (a) Four Star Oil & Gas Company (8.326900 WI) and (b) Koch Exploration Company, LC (58.288300% WI)
- (5) The subject non-standard 310.56-acre spacing unit is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.
- (6) Burlington despite reasonable effort has been unable to obtain the voluntary agreement from certain interest owners in this spacing unit. Pursuant to Section 70-2-17.C 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**

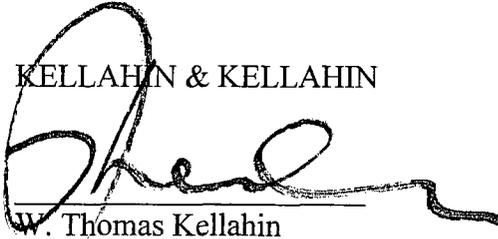
Terry B. Simcoe, CPL (landman) @ 10-min. @ 8

BY AFFIDAVIT

**PROCEDURAL MATTERS**

None

KELLAHIN & KELLAHIN

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin