

**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 CONOCOPHILLIPS COMPANY                      CASE 14394  
AND BURLINGTON RESOURCES OIL & GAS  
COMPANY LP TO EXPAND THE HORIZONTAL LIMITS  
OF THE UTE DOME- PARADOX GAS POOL TO INCLUDE  
ALL OF SECTION 23, T32N R14W AND THE CONCOMITANT  
CONTRACTION OF THE BARKER DOME-PARDOX POOL, THE  
BARKER DOME-AKAH/UPPER BARKER CREEK POOL, THE  
BARKER DOME DESERT CREEK POOL AND THE BARKER  
DOME-ISLAY POOL, SAN JUAN COUNTY, NEW MEXICO**

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**PRE-HEARING STATEMENT**

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

**APPEARANCES OF THE PARTIES**

**APPLICANT**

ConocoPhillips Company and  
Burlington Resources Oil & Gas Company  
3535 West 32<sup>nd</sup> Street  
Farmington, NM 87501  
Attn: Terry Ruby  
Phone 505-326-9519

**ATTORNEY**

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

6/9/09 10:15 AM

**OTHER PARTIES****ATTORNEY**

None

**STATEMENT OF THE CASE****APPLICANT:**

- (1) ConocoPhillips is a working interest owner and the proposed operator of Section 23, T32N, R14W, San Juan County, New Mexico.
- (2) The only wellbore within this section is the Huntington Energy Company's Ute Mountain Ute Well No. 73, (API#30-045-33302) located in Unit E of this section. This well formerly was completed in the Dakota formation with the W/2 of this section dedicated to Barker Creek-Dakota Pool and is now abandoned.
- (3) By Division Order R-46, dated December 29, 1950, the NW/4 of Section 23, T32N, R14W, along with other acreage, was subject to Barker Creek-Paradox (Pennsylvanian) Gas Pool with rules that included 640-acre gas spacing units.
- (4) By Order R-46-A, dated February 13, 1995, the Division subdivided the Barker Creek-Paradox Gas Pool and created three additional pools such that the NW/4 of Section 23 is now subject to the following pools:
  - a. Barker Dome-Paradox Pool = 640-acre spacing
  - b. Barker Dome-Akah/Upper Barker Creek Pool = 320-acre spacing
  - c. Barker Dome-Desert Creek Pool = 320-acre spacing
  - d. Barker Dome-Ismay Pool = 160-acre spacing
- (5) The eastern and southern boundaries of Section 23 are contiguous to the boundary of Ute Dome-Paradox Gas Pool. See Division Order R-12444, dated October 17, 2005. The special rules and regulations for the Ute Dome-Paradox Gas Pool provide for 640-acre gas spacing with the option to drill one well per quarter section and relaxed well location rules that allow a well to be not closer than 660 feet to the outer

boundary of the 640-acre spacing unit and not closer than 330 feet to an interior quarter section line or 10 feet to any quarter-quarter section line.

- (6) These special rules for the Ute Dome-Paradox Gas Pool are needed for this very complex stratigraphic reservoir with highly variable porosity in order to attempt to recovery gas that might not otherwise be recovered.
- (7) There is no significant geologic difference between Section 23 and the acreage within the Ute-Dome Paradox Gas Pool that should cause these two areas to be regulated with different Division rules.
- (8) If all of Section 23 is made subject to the rules for the Ute Dome-Paradox Gas Pool rather than to the four pools identified in paragraph (4) above, ConocoPhillips will have an opportunity to attempt recovery of gas that might not otherwise be recovered from Section 23.
- (9) ConocoPhillips would like to have the flexibility to drill two or three additional wells within Section 23 provided this section can be developed pursuant to the rules for the Ute Dome- Paradox Gas Pool
- (10) ConocoPhillips needs an order of the Division in order to protect correlative rights and prevent waste.

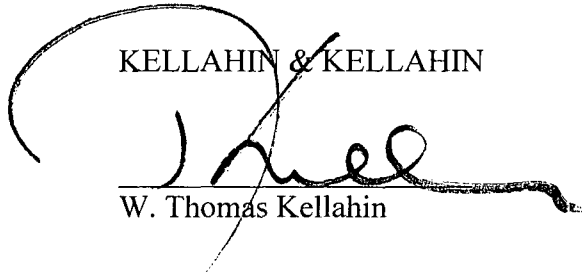
### **PROPOSED EVIDENCE**

#### **APPLICANT**

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EST. EXHIBITS</b>
Michelle D. Blankenship (landman)	@ 15-min.	@ 8
Bill Koerschner (geologist)	@ 20-min	@ 4
Mark Bickley (engineer)	@ 15-min	@ 4

**PROCEDURAL MATTERS**

None

KELLAHIN & KELLAHIN  
  
W. Thomas Kellahin