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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. 14304

2009 APR 9 AM 9 47

RECEIVED

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

## STATEMENT OF THE CASE

### APPLICANT:

**Burlington** seeks to re-instate Order R-14188 that pooled all mineral interests from the surface to the base of the Dakota formation underlying the following described acreage in Section 15, T31N, R10W, NMPM, in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent.

- (1) Burlington has the right to drill and develop the oil and gas minerals from the surface to the base of the Dakota formation underlying the E/2 of Section 15, T31N, R10W, NMPM, San Juan County, New Mexico.
- (2) Burlington has proposed to drill, complete and operate the Kelly A Well No. 3E to be located in Unit letter P of this section and, if productive, to downhole commingling Dakota and Mesaverde production.
- (3) On November 20, 2008, the Division entered Order R-13057 (Case 14188) granting Burlington's application for a compulsory pooling order for this spacing unit. The order expired February 28, 2009.
- (4) With the exception of the circumstances involved with the expiration of the order, the estimated well costs and other facts for this pooling order remain the same as on October 30, 2008 the date of the original hearing for Order R-13057.
- (5) Burlington has not been able to obtain a written voluntary agreement from all the parties listed on Exhibit "B" attached is the application.
- (6) All of the interest owners in the Dakota formation have agreed to participate in this well, but three owners in the Mesaverde formation have declined: (a) Laurence B Kelly Living Trust (6.25% WI); (b) Kelly Living Trust (3.125% WI); and Kelly Family Trust, Gregory Kelly trustee (3.125%WI)
- (7) The subject 318.86-acre spacing unit is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.

(8) Burlington despite reasonable effort has been unable to obtain the voluntary agreement of these two 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**

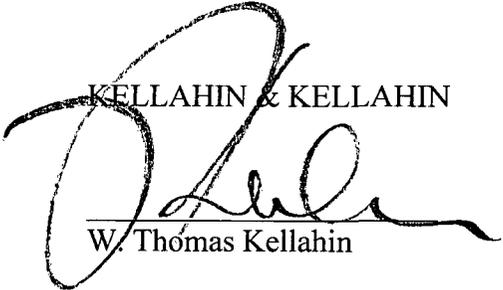
Terry B. Simcoe, CPL (landman) @ 10-min. @ 8

BY AFFIDAVIT

**PROCEDURAL MATTERS**

None

KELLAHIN & KELLAHIN



W. Thomas Kellahin