STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATIONDIVISON FOR THE PURPOSE OF CONSIDERING:

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

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.

APPEARENCES OF THE PARTIES

APPLICANT

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Burlington Resources Oil & Gas Company 3535 West 32nd Street Farmington, NM 87501 Attn: Alan Alexander Phone 505-326-9757

OTHER PARTIES

ATTORNEY

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

2009

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CASE NO. 14315 ____

ATTORNEY

None

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STATEMENT OF THE CASE

APPLICANT:

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(1) Burlington, an affiliate of ConocoPhillips Company, is a working interest owner and the proposed operator for the Dehli Com Well No. 1B well to be dedicated to the W/2 of Section 16, T30N, R8W, San Juan County, New Mexico.

(2) Burlington has proposed to drill, complete and operate the Delhi Com Well No. 1B well to be located in Unit letter F of this section and if productive to downhole commingle Dakota and Mesaverde production. See Division form C-102 attached as Exhibit "A"

(3) By letter dated February 11, 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 (1.5625% WI) and (b) Koch Exploration Company (10.9375 % WI)

(5) The subject 320-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

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WITNESSES

EST. TIME EST. EXHIBITS

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

BY AFFIDAVIT

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN Thomas Kellahin