

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

**CASE NO. 11678**  
**APPLICATION OF BURLINGTON RESOURCES OIL & GAS**  
**COMPANY FOR COMPULSORY POOLING,**  
**LEA COUNTY, NEW MEXICO.**

**CASE NO. 11656**  
**APPLICATION OF TEXACO EXPLORATION AND PRODUCTION,**  
**INC. FOR COMPULSORY POOLING AND A DIRECTIONAL WELL**  
**PROJECT, LEA COUNTY, NEW MEXICO.**

**MOTION FOR CONSOLIDATION**  
**AND**  
**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by BURLINGTON RESOURCES OIL & GAS COMPANY, as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT IN CASE 11678**

Burlington Resources  
P. O. Box 51810  
Midland, Texas 79710-1810  
Attn: Leslyn Swierc

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN AND KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**APPLICANT IN CASE 11656**

Texaco Exploration & Production  
P. O. Box 3109  
Midland, Texas 79702  
Attn: Ron Lanning

**ATTORNEY**

William F. Carr, Esq.  
P. O. Box 2208  
Santa Fe, New Mexico  
(505) 988-4422

### **BURLINGTON'S STATEMENT OF CASE**

1. Burlington controls 48% of the working interest in the SW/4 of Section 23, T26S, R37E, NMPM, Lea County, New Mexico.

2. Texaco Exploration and Production Inc. ("Texaco") controls 50% of the working interest in this proposed gas spacing unit.

3. On July 10, 1996, Burlington acquired its interest in this gas spacing unit from Doyle Hartman.

4. Since then, Burlington and Texaco have had numerous discussions concerning the drilling of wells to test this spacing unit for gas production from the Rhodes-Seven Rivers Gas Pool.

5. Texaco has previously proposed that the spacing unit be developed with a vertical well(s) and that Burlington operate the spacing unit.

6. However, Texaco's latest proposal now involves a multilateral horizontal well which is more than twice the projected cost of a vertical wellbore.

7. Because Burlington is unwilling to participate in the drilling of an expensive multilateral horizontal wellbore, Texaco has filed NMOCD Case 11656 in which Texaco seeks to obtain a compulsory pooling order for its horizontal well project.

8. In turn, Burlington has proposed to Texaco that the spacing unit can and should be developed utilizing conventional vertical wellbores.

9. By its conduct, Texaco has rejected Burlington's proposal and has refused to discuss this matter with Burlington.

10. That all reasonable efforts by Burlington to form a voluntary agreement for this well has failed and it has been unable to obtain the voluntary agreement of Texaco in this matter.

**PROPOSED EVIDENCE**

OPPOSITION PARTY:

WITNESSES	EST. TIME	EXHIBITS
Leslyn Swierc	30 Min	@ 8
Chris J. Settle petroleum engineer	30 Min	@ 8
Marcus Phomerson geologist	30 Min.	@ 3

**PROCEDURAL MATTERS**

Motion to consolidate cases for hearing.

KELLAHIN AND KELLAHIN

By: 

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