

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

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

CASE NO. 98-044
SEP 11 PM 2:26
OIL CONSERVATION DIV.

APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION
SAN JUAN COUNTY, NEW MEXICO.

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

Burlington Resources
P. O. Box 4289
Farmington, N.M. 87499
Attn: Alan Alexander
(505) 326-9757

ATTORNEY

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

STATEMENT OF CASE

APPLICANT:

1. Burlington is the operator of the Allison Unit and proposes to drill its Allison Unit Well No. 39 ("Well 39") at an unorthodox gas well location 2640 feet from the north line and 15 feet from the east line (Unit H) of Section 18, Township 32 North, Range 6 West, NMPM. Burlington proposes to drill Well 39 to a depth sufficient to test for gas production from the Dakota and/or Mesaverde formations within a proposed standard gas proration and spacing unit consisting of the E/2 of said Section 18.

2. Burlington has attempted to locate this well at a standard location within the E/2 of this section, but all such locations are not acceptable to the surface owner for topographical reasons.

3. Burlington desires an unorthodox well location for the following reasons:

(a) no Dakota or Mesaverde well has been drilled in this proposed spacing unit;

(b) any standard location in this spacing unit acceptable to Burlington would be located upon surface owned by a non-government surface owner who has no ownership interest in the oil & gas minerals.

(c) The surface owner desires that the first well located in this spacing unit be located at the proposed unorthodox well location.

(d) Based upon currently available data, a Dakota well located at the proposed unorthodox location is geologically comparable with any standard location;

(e) Based upon currently available data, a Mesaverde well located at the proposed unorthodox location is geologically comparable with any standard location the previously approved Dakota standard location;

(f) the utilization of a single wellbore results in substantial economic savings.

(g) Burlington plans to downhole commingle production from this single wellbore.

(h) the utilization of a single location minimizes surface disturbance.

(i) it is not economically practical to attempt to directionally drill this well to a standard subsurface location;

(j) twining this well on the existing pad with the Allison Unit Well No. 111 which is a Basin Fruitland Coal Gas producer located in Unit G of this section would cause interference with the proposed Allison Unit Well No 39-M to be located 2065 feet FSL and 2325 feet FEL;

(k) the unorthodox location only encroaches upon the W/2 of Section 17 which is also included in the Dakota and Mesaverde participating areas for the Allison Unit, thus correlative rights will protected because production from the subject well will be shared equitably by the owners of the unit.

(l) approval of this well location for the Allison Unit Well No 39 would allow for a reasonable pattern of planned development.

4. Approval of this application will afford the owners of the Allison Unit the opportunity to produce their just and equitable share of the gas underlying this unit, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

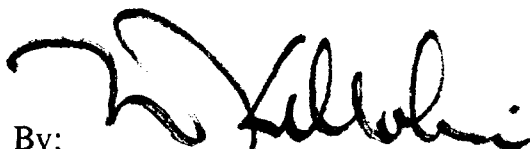
PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Alan Alexander (landman)	10 min.	5
Van Goebel (landman)	10 Min.	3
David Clark (geologist)	15 Min.	4
Neal Edwards (surveyor)	15 Min.	1

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN



By: _____

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

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