# 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:

CASE NO. 10916

APPLICATION OF CONOCO INC. FOR A HIGH ANGLE/HORIZONTAL DIRECTIONAL DRILLING PILOT PROJECT INCLUDING SPECIAL OPERATING RULES AND AN UNORTHODOX GAS WELL LOCATION, SAN JUAN COUNTY, NEW MEXICO.

FEB I A POSA

## PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO INC. as required by the Oil Conservation Division.

### APPEARANCE OF PARTIES

APPLICANT

CONOCO INC.
10 Desta Drive West
Suite 100 West
Midland, Texas 79705-4500
Attn: Jerry Hoover
(915) 686-6548

**ATTORNEY** 

W. Thomas Kellahin KELLAHIN AND KELLAHIN P.O. Box 2265 Santa Fe, NM 87504 (505) 982-4285 Pre-Hearing Statement Case No. 10916 Page 2

#### STATEMENT OF CASE

#### APPLICANT:

Conoco Inc. seeks approval for a high angle/ horizontal directional drilling pilot project in the Basin Fruitland Coal Gas Pool. The proposed project is the W/2 of Section 23, T29N, R8W, San Juan County, New Mexico.

Conoco proposes to utilize its existing Wilch A-12 Well as an observation well and replace it with the Wilch A-12R Well to be located at a standard surface location in the SW/4 and to then be drilled vertically to a kickoff point of approximately 2514 feet TVD and then drilled horizontally in a northerly direction within a drilling producing window in the W/2 of Section 23 such that its surface location and producing interval will be no closer than 790 feet to the outer boundaries of the spacing unit.

Section 23 and each of the adjoining sections has been fully developed with two wells to the section.

Conoco seeks to drill this high angle well in a south to north direction in order to intersect substantially more of the coal cleats than a vertical well might thereby increasing the opportunity for a more productive well. Pre-Hearing Statement Case No. 10916 Page 3

## PROPOSED EVIDENCE

# APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Reed Meek (geologist)	20 min.	7
Billy Goodwin (petroleum engineer)	20 min.	6

## PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: W. Thomas Kellahin

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