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, L.P. FOR AN UNORTHODOX GAS WELL LOCATION AND FOR FOUR NON-STANDARD GAS PRORATION UNITS IN THE BASIN-DAKOTA POOL, SAN JUAN COUNTY, NEW MEXICO

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Burlington Resources Oil & Gas Company, L.P. Attn: Alan Alexander 3401 E. 30th Street Farmington, NM 87402 (505) 326-9700

ATTORNEY

William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, NM 87504 (505) 988-4421

STATEMENT OF CASE

Applicant seeks an exception to the spacing provisions of the Basin-Dakota Pool (71599) by amending Division Order No. R-392 allowing development of Dakota gas production on the same four spacing and proration units ("GPU") previously approved for the Blanco-Mesaverde Pool (72319) in the narrow sections along the west side of Township 31 North, Range 8 West, which are located approximately 6.5 miles west of the Los Pinos arm of the Navajo Reservoir. These four GPU's to comprise the following lands: (i) Lots 3, 4, 5,

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CASE NO. 13579

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Pre-hearing Statement NMOCD Case No. 13579 Page 2

6, and 7, the SE/4 NW/4, and E/2 SW/4 of Irregular Section 6 and Lots 1 and 2 and the E/2 NW/4 of Irregular Section 7 containing 332.94 acres; (ii) Lots 3 and 4 of the E/2 SW/4 of Irregular Section 7 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 18 containing 330.16 acres; (iii) Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 19 and Lots 1 and 2 and the E/2 NW/4 of Irregular Section 30 containing 326.56 acres; and (iv) Lots 3 and 4 and the E/2 SW/4 of Irregular Section 30 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 30 and Lots 1, 2, 3, and 4 and the E/2 SW/4 of Irregular Section 30 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 31 containing 326.00 acres. Applicant further seeks to deepen and re-complete its existing Quinn Well No. 2-B (API No. 30-045-30151) at an unorthodox Dakota gas well location 310 feet from the South line and 1055 feet from the West line (Unit N) of irregular Section 19 within the above-described 326.56 acre GPU.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Neil Roberts (Reservoir Engineer) Approx. 15 min.

Approx. 5

PROCEDURAL MATTERS

Burlington Resources Oil & Gas Company, L.P., has none at this time.

William F. Carr Attorneys for Burlington Resources Oil & Gas Company, L.P.

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