

**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:**

**THREE APPLICATIONS OF BURLINGTON RESOURCES
OIL & GAS COMPANY LP FOR APPROVAL OF
DOWNHOLE COMMINGLING REFERENCE
CASE FOR ITS:**

**RECEIVED
2007 SEP 13 AM 9 13**

**SAN JUAN 28-4 UNIT
RIO ARriba COUNTY, NEW MEXICO**

CASE NO. 13987

**SAN JUAN 30-6 UNIT
RIO ARriba COUNTY, NEW MEXICO**

CASE NO. 13988

**SAN JUAN 27-4 UNIT
SAN JUAN, RIO ARriba McKINLEY AND
SANDOVAL COUNTIES, NEW MEXICO**

CASE NO. 13989

CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Burlington Resources Oil & Gas Company LP as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Burlington Resources Oil & Gas Company LP
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505-326-9757

ATTORNEY

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OPPONENT

ATTORNEY

None

STATEMENT OF THE CASE

APPLICANT:

BURLINGTON RESOURCES OIL & GAS COMPANY seeks to establish a downhole commingling reference case to modify the notification rules on an area-wide basis authorization for downhole commingling of Dakota and Mesaverde production in the wellbores of existing or future wells drilled anywhere within the San Juan 27-4 Unit, the San Juan 28-4 Unit and the San Juan 30-6 Unit

The absence of the establishment of a "reference case" as provided in Rule 303.E, Division general state-wide Rule 303.C requires that administrative applications for downhole commingling of gas production be submitted, processed and approved on a well by well basis including notification by certified mail return receipt requested to each interest owner where ownership is not common in the zones to be commingled.

As a result of the entry of Order R-11363, dated April 26, 2000, the Basin-Dakota and the Blanco-Mesaverde Pools were approved as "pre-approved pools" for downhole commingling of production thus eliminating the need to justify pressure and economic criteria on a well by well basis. In addition, allocation formula are administered and approved by the District Office of the Division.

Currently, the Division still requires the applicant for downhole commingling for these units to notify in writing to each interest owner where ownership is not common in the zones to be commingled. For the San Juan 27-4 Unit this rule requires notice to some 48-interest owners at current development levels, 221 owners for the San Juan 30-6 Unit and 7 owners for the San Juan 28-4

In seven prior Burlington cases, the Division has entered orders in DHC referenced cases that have eliminated the notice requirements:

- (a) Order R-10692, Nov 1, 1996, Case 11601 for the San Juan 32-9 Unit,
- (b) Order R-10694, Nov 12, 1996, Case 11626 for the San Juan 27-5 Unit
- (c) Order R-10695, Nov 12, 1996, Case 11627 for the San Juan 28-5 Unit
- (d) Order R-10696, Nov 18, 1996, Case 11628 for the San Juan 28-6 Unit
- (e) Order R-10697, Oct 8, 1996, Case 11629 for the San Juan 29-7 Unit
- (f) Order R-10786, April 2, 1997, Case 11685 for the Canyon Largo Unit
- (g) Order R-10476-B, Oct 17, 1997, Case 11815 for the San Juan 28-7 Unit

Burlington requests that the Division authorize that all downhole commingling applications received by the Division after October 1, 2007 for downhole commingling of production from Mesaverde and Dakota wells within the San Juan 27-4 Unit may cite the order entered in this case as a reference case for the **elimination of unnecessary notice**: such that any future or further notice concerning downhole commingling applications within this unit shall not be required to any owner (including royalty, overriding royalty or working interest owners) in instances where ownership are not common or percentages are not identical in the zones to be commingled

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Alan Alexander (Landman)	30 Min.	12 exhibits

PROCEDURAL MATTERS

None at this time.

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