

**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:**

**THE APPLICATION OF  
ENERGEN RESOURCES CORPORATION  
FOR APPROVAL OF A PILOT PROJECT,  
UNORTHDOX WELL LOCATION AND FOR  
EXCEPTION TO RULE 19.15.15.11 NMAC DETERMINE  
PROPER WELL DENSITIES FOR PICTURED CLIFFS  
FORMATION WELLS IN PORTIONS OF THE GAVILAN,  
TAPACITO AND SOUTH BLANCO-PICTURED CLIFFS POOLS,  
RIO ARRIBA COUNTY, NEW MEXICO**

**CASE NO. 14539**

**MOTION TO REOPEN  
AND  
AMEND ORDER R-13347**

Burlington Resources Oil and Gas Company, LP "Burlington" moves that the Division re-open Case 14539 in order to correct Order R-13347, dated January 11, 2011, that contains certain unintended omissions and errors.

**THE DIVISION ENTERED CONFLICTING ORDERS**

The Division's Order R-13347 entered in this Case 14539 is inconsistent with the Division's Order R-12857 entered in companion Case 12857. Contrary to Finding (9) of Order R-13347, Burlington Resources Oil Gas Company LP ("Burlington") appeared at the hearing presented a witness and exhibits that demonstrated that it was the principle operator involved in obtaining Division approval for the original Pictured Cliffs Pilot Infill Project with the hearing held on May 2, 2002 in Case 12857 and the approval Order R-11848 dated October 25, 2002.

Thereafter, based upon the data from this infill pilot project by September 2005, Burlington concluded that the majority of available data suggests infilling the PC across the basin is not appropriate at that time. That at the hearing, Burlington continued to conclude that it is not appropriate to increase the density for the Pictured Cliffs spacing units within those pools in the San Juan Basin. This evidence helps support the Division's Order R-12857 entered in companion Case 12857(re-opened)

### Erroneously Omitted Parties

On September 2, 2010, the Division held a consolidated evidentiary hearing of Case 12857(Reopened) and Case 14539, Burlington appeared and presented evidence including witnesses and exhibits. BP Amoco appeared only in Case 12857(Reopened). Burlington stated that it was neither for nor against the approval of these 8 new pilot wells, but wanted the criteria of the original pilot followed for the new project. **See Transcript Case 14539, at page 97, lines 15-18.** However, Order R-13347 at Finding (9) stated that "No other party (other than the applicant) appeared at the hearing...."

### **THE DIVISION APPROVED A PILOT PROJECT WITHOUT REPORTING OR TESTING CRITERIA**

Order R-13347 approved the pilot project but set neither criteria nor reporting requirements for the Pilot Project.

### **BURLINGTON'S PROPOSED CHANGE TO ORDER R-13347**

Burlington requests that the Division revise Order R-13347 as follows:

- (1) Strike the current language of Finding (9) "No other party appeared at the hearing or otherwise objected to the granting of this application" and
- (2) Substitute "Finding (9) Burlington Resources Oil and Gas Company LP appeared and presented evidence including a witness and exhibits. While Burlington stated that it was neither for nor against the approval of these 8 new pilot wells, it did want Energen to

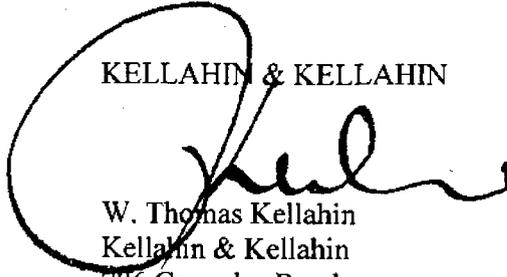
follow the criteria of the original pilot.” See Transcript Case 14539 at page 97, lines 17-18.

- (3) Add a New “Finding (10) Except for the Energen Resources Corporation, the applicant, Burlington Resources Oil & Gas Company LP was the only other party appeared at the hearing”
- (4) Add a New “Finding (11) Burlington concluded that the majority of available data suggests infilling of the Pictured Cliffs formation across the basin is not appropriate at that time. See Transcript Case 14539 at page 87 lines 11-15, and Burlington’s Exhibit #5
- (5) Add a New “Finding (12) It is appropriate for the Division to adopt some of the same protocols that were used in the original Pictured Cliffs Pilot Project as set forth in Order R-11848.”
- (6) Add a New “Finding (13) This Pilot Project is intended to:
  - a. accumulate comprehensive technical data for study and reservoir simulation, (including reservoir pressure);
  - b. accurately determine formation water saturations; and
  - c. make an estimation of original gas-in-place and remaining reserves. **(Referenced from original Pilot Project Order R-11848 Finding (15))**
- (7) Add a New “Finding (14) The pilot program is authorized for a period of two years from the date of this Order. Within six (6) months of completion of the pilot Project, Energen shall apply to the Division to re-open this case for an Examiner’s hearing to provide their data, overall findings and well density recommendations to the Division. **Reference-taken from Division Case 14291, Order R-13123, declaratory Paragraph (4)**

(8) Renumber current Finding (10) as Finding (15)

Burlington has informed Energen of the substance of this motion and Energen has declined to concur. Wherefore, Burlington moves that this case be re-opened and Order R-13347 be amended as requested in this motion.

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**CERTIFICATE OF SERVICE**

I certify that on January 20, 2011, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile
- Email

to the following:

J. Scott Hall, Esq. [shall@montand.com](mailto:shall@montand.com)



W. Thomas Kellahin