

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 CASE NO. 11808
OIL & GAS COMPANY FOR COMPULSORY POOLING,
AND A NON-STANDARD GAS PRORATION AND
SPACING UNIT, (Scott Well 24)
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 Oil & Gas Company
P. O. Box 4289
Farmington, NM 87499
(505) 326-9757
attn: Alan Alexander

ATTORNEY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
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STATEMENT OF CASE

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying Section 9, T31N, R10W, Burlington Resources Oil & Gas Company ("Burlington") requests an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

Burlington requests an order pooling the mineral interest of described in this 636.01 acre gas spacing unit for the drilling of its Scott Well No. 24 at a standard well location (Unit F) for potential production from the below the base of the Dakota formation upon terms and conditions which include:

- (1) Burlington be named operator;
- (2) The order make provisions for all uncommitted interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event an uncommitted working interest owner fails to elect to participate he becomes a "compulsory pooled party" and then provisions should be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (5) For such other and further relief as may be proper.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
James Strickler (landman)	60 Min.	@ 16 exhibits
Mike Dawson (geologist)	30 Min.	@ 4 exhibits
Kurt Shipley (engineer)	30 Min.	@ 4exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

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