

**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. 11880**

**APPLICATION OF BURLINGTON RESOURCES  
OIL & GAS COMPANY FOR AN EXCEPTION  
FOR THE SAN JUAN 27-5 UNIT FROM  
RULE 2(b) OF THE SPECIAL RULES AND  
REGULATIONS FOR THE BLANCO MESAVERDE  
POOL WITHIN A 4 SECTION AREA AND  
INCLUDING 6 UNORTHODOX GAS WELL LOCATIONS  
RIO ARriba 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  
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Farmington, NM 87499  
Attn: Alan Alexander  
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**ATTORNEY**

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**STATEMENT OF CASE**

**APPLICANT**

(1) Burlington is the current operator of seven Mesaverde proration and spacing units within a "Project Area" described as follows:

- (a) Section 1, T30N, R11W,
- (b) Section 36, T31N, R11W,
- (c) Section 31, T31N, R10W, and
- (d) Section 6, T30N, R10W,  
San Juan County, New Mexico

(2) The Project Area is within the current boundaries of the Blanco-Mesaverde Gas Pool and includes wells which are dedicated to that pool. See Exhibit "A" attached.

(3) On November 14, 1974, the New Mexico Oil Conservation Division ("Division") issued Order R-1670-T adopted "infill drilling" for the Blanco-Mesaverde Gas Pool by permitting in Rule 2 for the drilling of a second well within a 320-acre gas proration and spacing unit ("GPU") providing this **one optional** "infill well" to be located on the opposite 160-acres from the 160-acres containing the original well ("the initial well") **and** further providing that these infill wells were not closer than 990 feet (subject to a 200 foot topographical allowance) to the outerboundary of a quarter section.

(4) On September 20, 1978, the Division issued Order R-1670-U amended Rule 2 to permit the initial well on the proration unit to be drilled on either 160-acre tracts comprising the unit, so long as the well is no closer than 790 feet to the outer boundary of the quarter section and no closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

(5) On March 28, 1986, the Commission issued Order R-8170 which, among other things, promulgated the Rules and Regulations for the Prorated Gas Pools, including "reformatting" Rule 2 of the Rules and Regulations for the Blanco Mesaverde Gas Pool which currently provides:

**"A. WELL ACREAGE AND LOCATION REQUIREMENTS**

**RULE 2(a). Standard GPU (Gas proration Unit) in the Blanco-Mesaverde Gas Pool shall be 320 acres.**

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**RULE 2(b) Well Location:**

1. THE INITIAL WELL drilled on a GPU shall be located not closer than 790 feet to any outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

2. THE INFILL WELL drilled on a GPU shall be located in the quarter section of the GPU not containing a Mesaverde well, and shall be located with respect to the GPU boundaries as described in the preceding paragraph."

(6) Based upon a study of the geological and reservoir engineering data, Burlington has concluded that in order to increase ultimate recovery of gas from this pool, there is a need to drill more wells per GPU than is currently permitted by Rule 2(b) of the pool rules.

(7) Accordingly, Burlington desires to initiate a pilot program for the drilling of additional Blanco Mesaverde Pool wells within the Project Area to validate and confirm reservoir simulation and geologic studies for the purposes of determining the proper well density not to exceed a maximum of four (4) wells per GPU ("80-acre infill") **and** for determining the well location requirements for said wells.

(8) The approval of a pilot project will involve the approval of the following six (6) unorthodox gas well locations:

(a) Pubco State Com Well No. 1B, 325 feet FSL and 2510 feet FEL of (Unit O) Section 36, T31N, R11W.

(b) Atlantic "C" Well No. 4C, 445 feet FWL and 1385 feet FSL of (Unit L) Section 31, T31N, R10W.

(c) Atlantic "C" Well No. 6B, 2190 feet FWL and 380 feet FNL of Unit C) Section 6, T30N, R10W.

(d) Atlantic "C" Well No. 6C, 2240 feet FNL and 2005 feet FWL of (Unit F) Section 6, T30N, R10W.

(e) Sunray C Well No. 1B, 2135 feet FNL and 395 feet FEL of (Unit H) Section 1, T30N, R11W.

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(f) Sunray C Well No. 1C, 2220 feet FNL and 2520 feet FEL of (Unit G) Section 1, T30N, R11W.

(9) The increase in density of Blanco Mesaverde Pool wells at unorthodox well locations within the Project Area will not violate correlative rights because the pattern created by existing wells and these new unorthodox wells will provide an opportunity for each 320-acre proration and spacing unit to be protected.

(10) Approval of this Project Area will afford an opportunity to recovery gas form the Mesaverde Pool which might not otherwise be produced thereby preventing waste.

(11) Copies of this application have been sent to all appropriate parties as required by the Division notice rules.

(12) Approval of this application is in the best interests of conservation, the prevention of waste and the protection of correlative rights.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Alan Alexander (landman)	15 Min.	est. 8-10
Bill Babcock (geologist)	30 Min	est. 4
Jamin McNeil (petroleum engineer)	30 Min.	est. 4

**PROCEDURAL MATTERS**

None pending

KELLAHIN AND KELLAHIN

By:   
W. Thomas Kellahin  
Attorneys for Applicant