

**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:**

OIL CONSERVATION DIV
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CASE NO. 12509

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR A DAKOTA PILOT
PROJECT IN ITS CULPEPPER MARTIN PROJECT
AREA INCLUDING WELLS AT UNORTHODOX
LOCATIONS AND INCREASED DENSITY WELLS,
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
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ATTORNEY

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STATEMENT OF CASE

APPLICANT

Burlington Resources Oil & Gas Company requests approval of a Pilot Project including unorthodox well locations and an exception from the Special Rules and Regulations for the Basin-Dakota Gas Pool for purposes of establishing a pilot infill drilling program within its Culpepper Martin Project Area, consisting of Sections 1-3, 10-15 and 22-24, T31N, R12W whereby up to four wells may be drilled on a standard gas proration unit to determine proper well density for Dakota wells, San Juan County, New Mexico.

(1) Burlington is the current operator of the Culpepper Martin Project Area containing 7,413.91 acres, more or less and located in Township 31 North, Range 12 West, NMPM.

(2) The Culpepper Martin Project Area is within the current boundaries of the Basin Dakota Gas Pool and includes 39 producing, 2 temporarily shut-in and 2 plugged and abandoned Dakota wells which are dedicated to that pool.

(3) 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 in a majority of the pool area to drill more wells per GPU than is currently permitted by Rule 2(b) of the pool rules.

(4) Accordingly, Burlington desires to initiate a pilot program for the drilling of additional Basin-Dakota Gas Pool wells in the Culpepper Martin Project Area to provide data for reservoir engineering 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 these wells.

(5) The initial 6 pilot project wells are to be located at unorthodox gas well locations in an attempt to locate them in undrained portions of the reservoir.

(6) In order to protect the correlative rights of any owners within or adjacent to the outer boundary of this project area, Burlington proposes that the well density for each 160-acres within the project area along its outer boundary shall be limited to the current well density of not more than one (1) well per 160-acres with well locations as prescribed by Order R-10987-B.

