

**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. 12651

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR A BASIN-FRUITLAND
COAL-GAS WELL PILOT PROJECT INCLUDING
WELLS AT UNORTHODOX LOCATIONS
AND INCREASED DENSITY WELLS,
SAN JUAN AND RIO ARriba COUNTIES, 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
PO Box 4289
Farmington, NM 87499
Attn: Alan Alexander
(505) 326 9757

ATTORNEY

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

Pre-Hearing Statement**Case No. 12651****Page 2****STATEMENT OF CASE****APPLICANT**

(1) Burlington proposes to drill and operate the following test wells as part of its study of the appropriate well density for the Basin Fruitland Coal Gas Pool:

San Juan 28-6 Unit Well No. 418S

1065 feet from the north line and 1830 feet from the west line

Unit C, "infill" well, W/2 Section 28, T28N, R6W

Turner Federal Well No. 210S

665 feet from the north line and 980 feet from the west line

Unit D, "infill" well, N/2 Section 13, T30N, R10W

San Juan 28-5 Unit Well No. 201S

1980 feet from the north line and 2630 feet from the west line

Unit F, N/2 Section 15, T28N, R5W

Davis Well 505S

2420 feet from the south line and 660 feet from the east line

Unit I, E/2 of Irregular Section 12, T31N, R12W

In addition, Burlington will drill the following test well at a standard location as follows:

Huerfano Unit Well No. 258S

1190 feet from the north line and 840 feet from the east line

Unit A, E/2 Section 36, T27N, R10W

(2) The Basin Fruitland Coal Gas Pool Rules provide, in part, that:

Rule 4: 320 acre spacing units with a provision for an exception from Rule 4 to allow the drilling of a second well on a standard 320-acre unit after notice and hearing.

Rule 7: wells in the pool "shall be located in the NE/4 or SW/4 of a single governmental section and shall be located not closer than 660 feet to any outer boundary of a proration unit nor closer than 10 feet to any interior quarter or quarter-quarter line or subdivision inner boundary."

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(3) On July 16, 1991, the Division entered Order R-8768-A which found that:

"(9) The results of the reservoir simulation study generally establish that one well in the subject pool can effectively drain and develop 320 acres."

"(10) The results of the study further indicate however that there may be certain areas within the basin where reservoir parameters such as porosity, permeability, coal thickness, pressure, gas content, sorption isotherm and initial gas/water saturation may exist in certain combinations such that infill drilling may be required to increase gas recovery."

(4) Accordingly, Burlington desires to initiate a pilot program for the drilling of additional Basin-Fruitland Coal Gas Pool wells to provide data for reservoir engineering and geologic studies for the purposes of determining the proper well density.

(5) The initial pilot project wells will be second wells on a GPU and four are to be located at unorthodox gas well locations ("off pattern location") in an attempt to locate them in portions of the reservoir which will provide the necessary well density data.

(6) Copies of this application have been sent to all appropriate parties as required by the Division notice rules (Rule 1207) and Rule 4 of the Basin-Fruitland Coal Gas Pool Rules.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
James Strickler (landman)	20 Min.	est. 7
Steve Thibodeaux (geologist)	30 Min	est. 6
Leonard Biemer (petroleum engineer)	40 Min.	est. 8

PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN



By: _____
W. Thomas Kellahin
Attorney for Applicant