

OIL CONSERVATION DIV.

MILLER, STRATVERT & TORGERSON, P. A.

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ROSS B. PERKAL, COUNSEL
JAMES J. WIDLAND, COUNSEL
BRADLEY D. TEPPER, COUNSEL

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October 29, 1999

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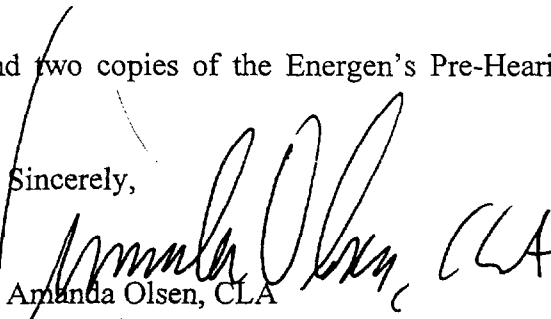
Ms. Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: NMOCC Case # 12276 and 12277; Applications of Burlington Resources Oil
& Gas Company for Compulsory Pooling, San Juan County, New Mexico

Dear Ms. Davidson:

Enclosed please find an original and two copies of the Energen's Pre-Hearing
Statements in the above-entitled matters.

Sincerely,


Amanda Olsen, CLA
Paralegal

/ao

Enclosure(s) – as stated

David Catanach, NMOCD (with enclosures)
Rand Carroll, NMOCD (with enclosures)
Lori Wrotenbery, NMOCD (with enclosures)
W. Thomas Kellahin, Esq. (with enclosures)

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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
BURLINGTON RESOURCES OIL & GAS COMPANY
FOR COMPULSORY POOLING, SAN JUAN COUNTY,
NEW MEXICO

CASE No. 12277

99 OCT 29 AM 11:50

OIL CONSERVATION DIV.

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Energen Resources Corporation, through its counsel of record, Miller, Stratvert & Torgerson, P.A. (J. Scott Hall, Esq.) as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

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

APPLICANT

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499
(505) 326-9757

OPPONENT'S ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
P.O. Box 1986
Santa Fe, NM 87504-1986
(505) 989-9614

OPPONENT

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
(505) 325-6800

STATEMENT OF THE CASE

Burlington Resources Company seeks the issuance of an order pooling the interests of Energen Resources Corporation and others for its Brookhaven Com B Well No. 3-B, designation of Burlington as operator, the imposition of a 200% risk factor penalty and other relief pursuant to Section 70-2-17(C), N.M. Stat. Ann. (1978 Comp.).

Energen Resources Corporation opposes Burlington's applications for the following reasons, among others: (1) Energen Resources Corporation has previously voluntarily committed its interests in the spacing units to Burlington's proposed well. As a consequence, the interests are not subject to compulsory pooling; (2) Burlington is attempting to repudiate the terms and applicability of a preexisting operating agreement governing the operation and development of the subject lands; (3) Burlington has failed to exercise good faith in obtaining the voluntary joinder of uncommitted interests to the well in violation of Section 70-2-17 and 70-2-18, N.M. Stat. Ann. (1978 Comp.); (4) Burlington has improperly invoked the processes of the Division to the detriment of Energen's real property and contract rights; (5) In the context of this proceeding, Burlington's application is not cognizable under Section 70-2-17(C), N.M. Stat. Ann. (1978 Comp).

PROPOSED EVIDENCE

Energen Resources Corporation will present evidence relating to any or all of the issues set forth in the Statement of the Case submitted by the various parties.

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Richard Corcoran, Landman

30 minutes

9

PROCEDURAL MATTERS

(Please identify any procedural matters which
need to be resolved prior to the hearing)

The production of documents pursuant to Division subpoena issued on October 28, 1999 is pending. Energen anticipates filing a motion to dismiss prior to hearing. Energen is seeking the Applicant's concurrence to continue the present setting to facilitate the resolution of a number of pre-hearing issues.



Signature

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application was sent this 29 day of October, 1999 to the following counsel of record:

Rand Carroll, Esq.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Pre-hearing Statement
NMOCD Case No. 12,277
Page 4

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504

J. Scott Hall

J. Scott Hall

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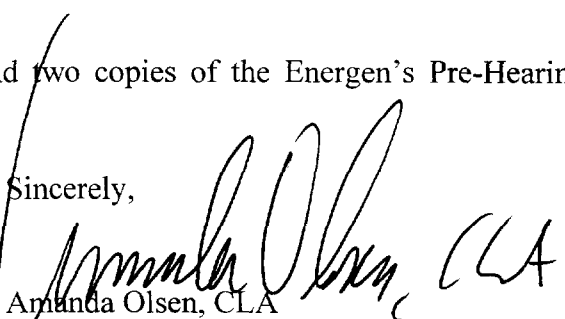
Ms. Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

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W. Thomas Kellahin, Esq. (with enclosures)

6621/23699/davidson.doc

99 OCT 29 AM 11:53
OIL CONSERVATION DIV.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
BURLINGTON RESOURCES OIL & GAS COMPANY
FOR COMPULSORY POOLING, SAN JUAN COUNTY,
NEW MEXICO

CASE No. 12277

OIL CONSERVATION DIV.
59 OCT 29 AM 11:53

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Energen Resources Corporation, through its counsel of record, Miller, Stratvert & Torgerson, P.A. (J. Scott Hall, Esq.) as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

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

APPLICANT

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, NM 87499
(505) 326-9757

OPPONENT'S ATTORNEY

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
P.O. Box 1986
Santa Fe, NM 87504-1986
(505) 989-9614

OPPONENT

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, New Mexico 87401
(505) 325-6800

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APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Richard Corcoran, Landman


30 minutes

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(Please identify any procedural matters which
need to be resolved prior to the hearing)

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Signature

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I hereby certify that a copy of the foregoing Application was sent this 29 day of October, 1999 to the following counsel of record:

Rand Carroll, Esq.
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Pre-hearing Statement
NMOCD Case No. 12,277
Page 4

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504

A handwritten signature in cursive script, appearing to read "J. Scott Hall", written above a horizontal line.

J. Scott Hall

**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
OIL & GAS COMPANY FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 12276

**APPLICATION OF BURLINGTON RESOURCES
OIL & GAS COMPANY FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. 12277

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Burlington Resources Oil & Gas Company ("Burlington") 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

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OPPONENT

Energen Resources Corporation

ATTORNEY

J. Scott Hall, Esq.

NMOCD Cases 12276 & 12277
Burlington's prehearing statement
-Page 2-

STATEMENT OF CASES

In case 12276, Burlington seeks a compulsory pooling order for the following spacing units located in Section 36, T27N, R8W:

- (a) The W/2 for any Mesaverde production from the Brookhaven Com Wells No 8 and 8-A to be drilled as dual completion gas wells with Well 8 located in the NW/4 and Well 8-A located in the SW/4;
- (b) the SW/4 for any Chacra production from the Brookhaven Com Well No. 8-A;
- (c) the NW/4 for any Chacra production from the Brookhaven Com Well No. 8.

In case 12277, Burlington seeks a compulsory pooling order for the E/2 of Section 16, T31N, R11W to be dedicated to any Mesaverde production from its Brookhaven Com B Well No 3B to be located in SE/4SE/4 of this section.

Burlington requests orders pooling the mineral interest of described spacing units 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.

NMOCD Cases 12276 & 12277
Burlington's prehearing statement
-Page 3-

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

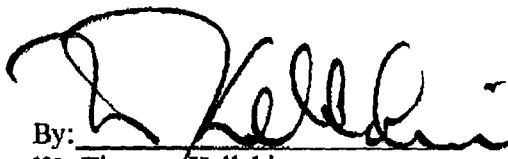
EST. TIME EXHIBITS

Shannon Nichols (landman)	20 min.	@ 8 exhibits
Ralph Nelms (PE)	20 Min.	@ 4 exhibits

PROCEDURAL MATTERS

Burlington requests that both cases be consolidated for hearing.

KELLAHIN AND KELLAHIN



By: _____
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285