

Case NO.

6568

Application

Transcripts

Small Exhibits

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
13 June 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Lewis B. Burleson,) CASE
Inc., for compulsory pooling,) 6566
unorthodox well location, and)
nonstandard proration unit, Lea)
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: W. THOMAS KELLAHIN, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

LEWIS B. BURLESON

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Cross Examination by Mr. Nutter	6

E X H I B I T S

Applicant Exhibit One, Plat	3
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MR. NUTTER: We'll call next Case Number 6566.

MR. PADILLA: Application of Lewis B. Burleson, Inc., for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant.

I'd like the record to reflect that Mr. Burleson has previously testified, he is still under oath, and is qualified as an expert witness.

May the record reflect that my witness is still under oath and is qualified as an expert witness?

MR. NUTTER: The record will so show.

LEWIS B. BURLESON

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Burleson, would you refer to what has been marked as Exhibit Number One, identify it and explain what you're seeking to accomplish?

A All right, this is a plat on the -- centered in Section 10, 24 South, 36 East, Lea County, New

SALLY WALTON BOYD
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1 Mexico, in which colored in red is 160 acres, which would
2 be a non-standard Jalmat gas unit covering the southwest
3 quarter of Section 10, 24, 36.

4 Q What would be a standard Jalmat gas pro-
5 ration unit for this area?

6 A A standard Jalmat gas rule -- unit, under
7 the rules of the Commission, is 640 acres.

8 Q What acreage would you dedicate as a non-
9 standard proration unit for this well?

10 A We would dedicate the southwest quarter
11 of Section 10, 24 South, 36 East.

12 Q And where do you propose to locate the
13 well?

14 A And this is a -- the mineral owners are
15 all common under this entire 160-acre unit.

16 This plat is contoured on the Yates Sand
17 and as currently I propose to drill and try to complete a
18 Jalmat gas well at one of the lowest locations on this
19 side of the platform.

20 Q What is that footage location?

21 A So that the footage location for our No. 3
22 Rocket Well would be 2310 from the south and 2310 from the
23 west.

24 Q Are there any other Jalmat gas wells in
25 the immediate area?

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1 A. The only current producing Jalmat gas
2 well with a Yates top of plus 150 is the O. H. Berry Isabel,
3 being in Unit A, Section 15, which would be approximately
4 half a mile southeast of my proposed location.

5 Q. What are the other wells plotted on the
6 exhibit?

7 A. The other wells offsetting us would be
8 Worldwide Energy and Harrison-Walton, are Jalmat oil wells.

9 The Burleson Rocket No. 1 is currently a
10 shutin Jalmat oil well.

11 Q. Why have you chosen this particular loca-
12 tion?

13 A. To -- to try to improve my structural
14 position, to get it to the maximum spot where we have the
15 best chance in securing gas production in the Yates Sands.

16 Q. How does the proposed location compare to
17 any standard location within the proration unit for a
18 Jalmat gas well?

19 A. The normal rules -- the rules for the --
20 for this field would be 660 off the lease line, and this
21 well will be 330.

22 Q. In your opinion could you drill at a
23 standard location within this proration unit and obtain
24 the same kind of quality well that you anticipate obtaining
25 from the unorthodox location?

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1 A. Because of -- because of our structural
2 position and in the steep flank coming of the Seven Rivers
3 Reef, I believe that 330, moving the location 330, is
4 important to secure a commercial producer on this 160-acre
5 lease.

6 Q. In your opinion is that the optimum loca-
7 tion from which to drain gas under this proration unit?

8 A. Yes, it would. It would be the highest
9 point that we could drill on this lease.

10 Q. All right. Was Exhibit Number One com-
11 piled under your direction and supervision?

12 A. Yes, it was.

13 Q. And in your opinion, Mr. Burleson, will
14 approval of this application be in the best interests of
15 conservation, the prevention of waste, and the protection
16 of correlative rights?

17 A. Yes, it will.

18 MR. KELLAHIN: Move the introduction of
19 Exhibit Number One.

20 MR. NUTTER: Applicant Exhibit One will
21 be admitted in evidence.

22
23 CROSS EXAMINATION

24 BY MR. NUTTER:

25 Q. Mr. Burleson, you mentioned the Rocket No.

1 l as being a shut-in Jalmat oil well. Is that the well
2 that's directly south of this proposed location?

3 A Yes, sir. Joseph I. O'Neill dug this well
4 some 25 years ago and perforated the basal Yates Sand, and
5 I was the geologist on that well at that time, and the
6 upper sands were the gas productive.

7 This well, by the way, does not make any
8 water, which is sort of different for every other well
9 along this -- along this side of the basin.

10 Q Why isn't the well producing now?

11 A He has -- he shut it in and I have just
12 purchased the equipment on the well and the mineral owners
13 and I now have a deal to drill, and they wanted to -- to
14 clear our location so we could drill and then recomplete
15 this well, rework it, in other words.

16 Q What about the No. 2 over here in the
17 southwest southwest?

18 A The No. 2 was a marginal or really a small
19 well and only produced for about two years.

20 I think the cumulative on this well, the
21 No. 2, is only 3000 barrels of oil.

22 Q And there's never been a Jalmat gas well,
23 then, on the southwest quarter of Section 10?

24 A No, sir, there has not.

25 MR. NUTTER: Are there any other questions

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of this witness? He may be excused.

Do you have anything further, Mr, Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6566?

Take the case under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

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I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

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Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6526 heard by me on 6/13 1979,
[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
13 June 1979

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I N D E X

LEWIS B. BURLESON

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Nutter 6

E X H I B I T S

Applicant Exhibit One, Plat 3

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Do you have anything further, Mr, Kellahin?

MR. KELLAHIN: No, sir.

MR NUTTER: Does anyone have anything they wish to offer in Case Number 6566?

Take the case under advisement.

(Hearing concluded.)

SALLY WALTON BOYD
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REPORTER'S CERTIFICATE

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (506) 471-2462
Santa Fe, New Mexico 87601

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6506 heard by me on 6/13 1979

_____, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6566
Order No. R-6038

APPLICATION OF LEWIS B. BURLESON, INC.
FOR AN UNORTHODOX WELL LOCATION AND
NON-STANDARD PRORATION UNIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Lewis B. Burleson, Inc., seeks
approval of an unorthodox gas well location 2310 feet from the
South line and 2310 feet from the West line of Section 10,
Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea
County, New Mexico.
- (3) That the applicant also seeks a 160-acre non-standard
gas proration unit comprising the SW/4 of said Section 10 to be
dedicated to the above-described well.
- (4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration
unit.
- (5) That no offset operator objected to the proposed
unorthodox location.

-2-

Case No. 6566
Order No. R-6033

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

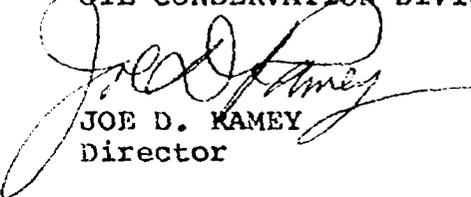
(1) That an unorthodox gas well location is hereby approved for the Lewis B. Burlison, Inc., well to be located at a point 2310 feet from the South line and 2310 feet from the West line of Section 10, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

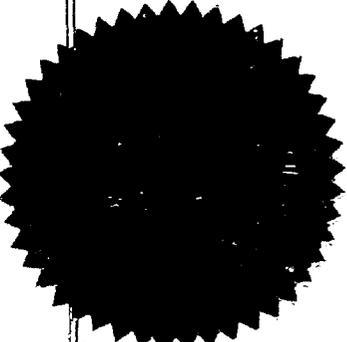
(2) That a 160-acre non-standard gas proration unit comprising the SW/4 of said Section 10 is hereby approved and shall be dedicated to the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. KAMEY
Director


S E A L

fd/

Dockets Nos. 24-79 and 25-79 are tentatively set for hearing on June 27 and July 11, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 6, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6495: (DE NOVO)

Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 23 and 24, Township 19 South, Range 29 East, Sections 1, 4, 5, 6, 7, 11, 12, 13, 14, 19, 20, 23, 24, and 29, Township 19 South, Range 30 East, and Sections 7, 8, 17, 18, and 19, Township 19 South, Range 31 East, all in Eddy County, New Mexico.

Upon application of Amax Chemical Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 23-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 13, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6560: Application of Exxon Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (combination) of its "AB" State Well No. 4 located in Unit A of Section 16, Township 24 South, Range 37 East, to produce gas from the Langlie Mattix Pool and oil from the Fowler-Upper Yeso Pool, through parallel strings of casing cemented in a common well bore.

CASE 6561: Application of Amoco Production Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, proposes to directionally drill its State "HC" Well No. 1 located 1980 feet from the South and West lines of Section 21, Township 16 South, Range 35 East, Townsend Field, to a bottom hole location within 100 feet of a point 990 feet from the South line and 2310 feet from the East line of said Section 21, the S/2 of said Section 21 to be dedicated to the well.

CASE 6562: Application of Orla Petco, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ramsey Sand of the Bell Canyon formation through the open hole interval from 2498 feet to 2508 feet in its Gourley-Federal Well No. 4 located in Unit J of Section 31, Township 22 South, Range 28 East, Herradura Bend-Delaware Pool.

CASE 6563: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6564: Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 in the center of Unit E, Section 35, Township 16 South, Range 38 East, Knowies-Devonian Pool.

CASE 6565: Application of Lewis B. Burlison, Inc. for compulsory pooling, a non-standard gas proration unit, and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 SE/4 of Section 20, Township 25 South, Range 37 East, to form an 80-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South and East lines of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 6566: Application of Lewis B. Burleson, Inc. for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 10, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled 2310 feet from the South and West lines of said Section 10.
- CASE 6567: Application of Newbourne Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State 25 Com Well No. 1 660 feet from the South line and 1650 feet from the West line of Section 25, Township 14 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, the S/2 of said Section 25 to be dedicated to the well.
- CASE 6568: Application of Dallas McCasland for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of his Woolworth Well No. 5 located in Unit P of Section 28, Township 24 South, Range 37 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6569: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Lockhart A-17 Well No. 2 located in Unit I of Section 17, Township 21 South, Range 37 East, to produce gas from the Eumont Gas Pool through the casing-tubing annulus and oil from the Blinebry Oil and Gas Pool through tubing.
- CASE 6570: Application of Continental Oil Company for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, Eumont Gas Pool, to be simultaneously dedicated to applicant's Lockhart A-18 Wells Nos. 2, 3, and 4, located in Units O, K, and M, respectively, of said Section 18.
- CASE 6571: Application of Continental Oil Company for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the following described lands: SW/4 W/2 SE/4 and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East; and NW/4, W/2 NE/4, and SE/4 NE/4 of Section 1, Township 24 South, Range 36 East.
- CASE 6537: (Continued from May 9, 1979, Examiner Hearing)
Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranger Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 6553: (Continued from May 23, 1979, Examiner Hearing)
Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.
- CASE 6572: Application of ARCO Oil and Gas Company to drill a horizontal drainhole, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill and complete its Empire Abo Unit Well No. K-142, located in Unit K of Section 2, Township 18 South, Range 27 East, Empire-Abo Pool, with a single horizontal drainhole of about 200 feet in length in the Abo formation.
- CASE 6573: Application of Mesa Petroleum Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of its Well No. 7 in the Nash Unit, the surface location of which would be 685 feet from the North line and 1295 feet from the West line of Section 18, to be vertically drilled to approximately 7,000 feet, and then directionally drilled to a bottom hole location in the Morrow formation within 400 feet of a point 1315 feet from the South line and 1320 feet from the West line of Section 7, all in Township 23 South, Range 30 East.
- CASE 6574: Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6535: (Continued from May 23, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6575: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting the vertical limits, and extending the horizontal limits of certain pools in Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Cass Draw-Wolfcamp Gas Pool. The discovery well is Black River Corporation Miller Com Well No. 1 located in Unit C of Section 10, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 10: N/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the Runyan Ranch-Abo Gas Pool. The discovery well is Mesa Petroleum Company Runyan Federal Com Well No. 1 located in Unit E of Section 17, Township 19 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 17: NW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Runyan Ranch-Morrow Gas Pool. The discovery well is Mesa Petroleum Company Gardner State Well No. 1 located in Unit K of Section 8, Township 19 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 8: W/2

(d) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 16: SE/4
Section 17: NE/4

(e) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 28: N/2

(f) EXTEND the Avalon-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 21: SW/4
Section 28: N/2

(g) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: N/2

(h) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 12: S/2
Section 13: N/2

(i) EXTEND the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 34: SW/4

(j) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 22: N/2
Section 35: N/2

- (k) EXTEND the Diamond Mound-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 12: N/2

- (l) EXTEND the Dublin Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 21: E/2

- (m) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: S/2

- (n) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 19: S/2

- (o) EXTEND the Eumont Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 32: W/2

- (p) EXTEND the Hardy-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: E/2 SE/4 and SW/4 SE/4

- (q) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 5: E/2 NW/4

- (r) EXTEND the Indian Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 25: S/2
Section 36: W/2

- (s) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 10: S/2
Section 11: S/2
Section 16: E/2

- (t) EXTEND the East Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 32: W/2

- (u) EXTEND the Logan Draw-Cisco Canyon Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 28: W/2

- (v) EXTEND the West Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 16: N/2

- (w) EXTEND the Penasco Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 25: N/2

- (x) EXTEND the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: NW/4

(y) CONTRACT the vertical limits of the Shoe Bar-Pennsylvanian Gas Pool in Lea County, New Mexico, to the Atoka formation only and redesignate said pool as the Shoe Bar-Atoka Gas Pool, and extend the horizontal limits of said pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 34: SW/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 3: N/2

(z) EXTEND the Teague-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: S/2
Section 27: NE/4

(aa) EXTEND the Todd-Wolfcamp Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 22: NE/4

(bb) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 30: W/2

(cc) EXTEND the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

(dd) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 14: W/2
Section 15: E/2
Section 23: All
Section 24: W/2

(ee) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: SE/4
Section 10: NE/4

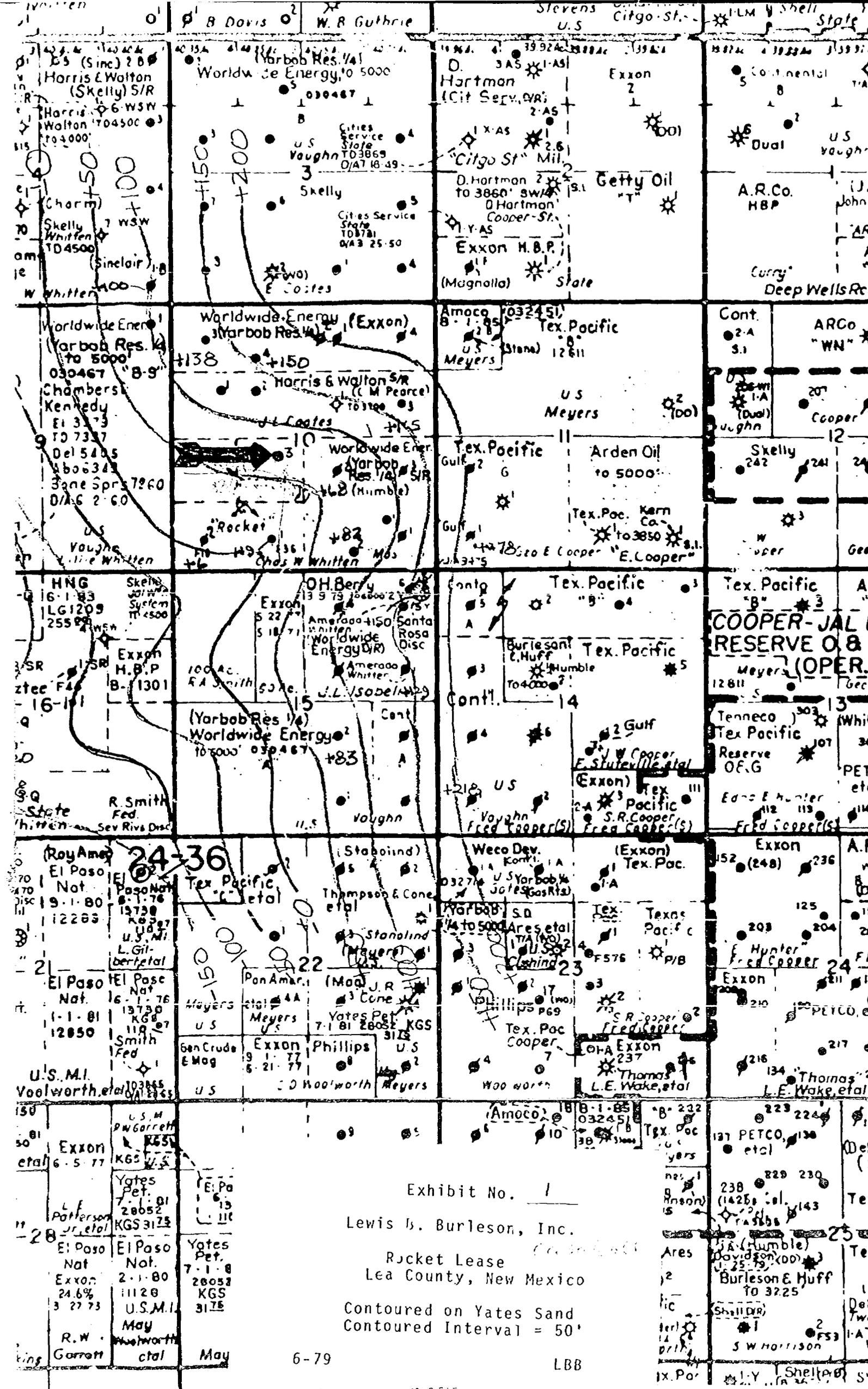


Exhibit No. 1
 Lewis B. Burlison, Inc.
 Rocket Lease
 Lea County, New Mexico
 Contoured on Yates Sand
 Contoured Interval = 50'
 6-79 LBB

25
 Ares
 David (Humble)
 Davidson (D.D.)
 U. 25-79
 Burlison & Huff
 To 3225
 S.W. Harrison
 Del
 Twa
 I-A
 S
 Y. Shell

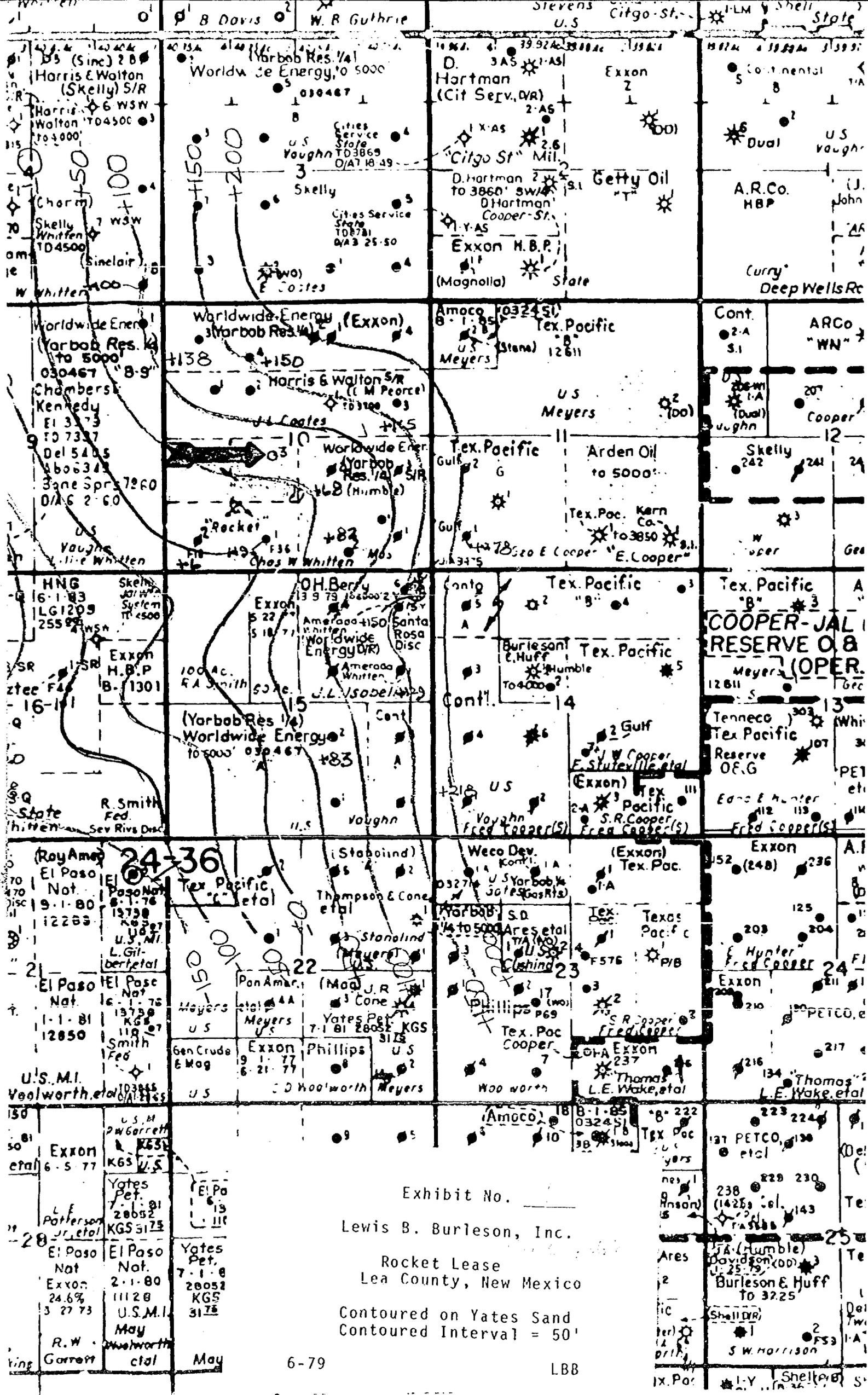


Exhibit No. _____
 Lewis B. Burleson, Inc.
 Rocket Lease
 Lea County, New Mexico
 Contoured on Yates Sand
 Contoured Interval = 50'

25
 Ares
 Burleson & Huff
 To 3225
 S.W. Harrison
 I.Y. Shell

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

May 10, 1979



Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

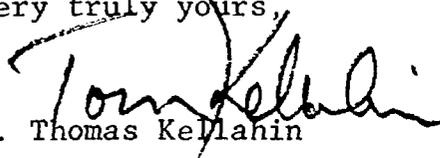
Re: Lewis B. Burleson, Inc.

Dear Joe:

Please set the enclosed applications for hearing on June 13, 1979:

- (a) Application for Compulsory Pooling, Unorthodox well location and non-standard proration unit $W\frac{1}{2}SE\frac{1}{4}$, Section 20,
- (b) Unorthodox well location and non-standard unit for $SW\frac{1}{4}$ of Section 10.

Very truly yours,


W. Thomas Kellahin

CC: Mr. Lewis Burleson

WTK:kfm

Enclosures

RECEIVED
MAY 11 1979
OIL CONSERVATION DIVISION
SANTA FE

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF LEWIS B. BURLESON, INC. FOR
UNORTHODOX WELL LOCATION AND NON-
STANDARD PRORATION UNIT, LEA COUNTY,
NEW MEXICO

Case 6566

A P P L I C A T I O N

COMES NOW Lewis B. Burleson, Inc., by and through its attorneys, and applies to the Oil Conservation Division of New Mexico for an unorthodox well location 2310 feet from the South and West lines of Section 10, T24S, R36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico and for a non-standard gas proration unit consisting of 160 acres being the SW $\frac{1}{4}$ of said section and in support thereof would show:

1. Applicant has the right to drill and develop the SW $\frac{1}{4}$ of Section 10, T24S, R36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
2. Applicant seeks approval of an unorthodox well location 2310 feet from the South and West lines of said section 10 to test the Jalmat Gas Pool.
3. Said location is required in order to effectively and efficiently drain the SW $\frac{1}{4}$ of Section 10.
4. That applicant proposes to dedicate the SW $\frac{1}{4}$ of said section to the well and requests approval of a non-standard 160 acre gas proration unit.
5. That approval of the application will be in the best interest of conservation, prevention of waste and protection of correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as provided by law, the Division enter its order approving the application as requested.

Respectfully submitted,
KELLAHIN & KELLAHIN

By

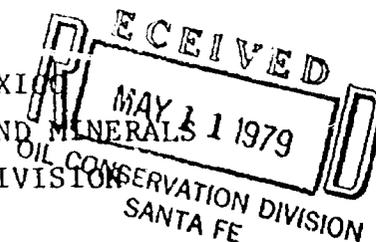

W. Thomas Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION



IN THE MATTER OF THE APPLICATION
OF LEWIS B. BURLESON, INC. FOR
UNORTHODOX WELL LOCATION AND NON-
STANDARD PRORATION UNIT, LEA COUNTY,
NEW MEXICO

Case 6566

A P P L I C A T I O N

COMES NOW Lewis B. Burleson, Inc., by and through its attorneys, and applies to the Oil Conservation Division of New Mexico for an unorthodox well location 2310 feet from the South and West lines of Section 10, T24S, R36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico and for a non-standard gas proration unit consisting of 160 acres being the SW $\frac{1}{4}$ of said section and in support thereof would show:

1. Applicant has the right to drill and develop the SW $\frac{1}{4}$ of Section 10, T24S, R36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
2. Applicant seeks approval of an unorthodox well location 2310 feet from the South and West lines of said section 10 to test the Jalmat Gas Pool.
3. Said location is required in order to effectively and efficiently drain the SW $\frac{1}{4}$ of Section 10.
4. That applicant proposes to dedicate the SW $\frac{1}{4}$ of said section to the well and requests approval of a non-standard 160 acre gas proration unit.
5. That approval of the application will be in the best interest of conservation, prevention of waste and protection of correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as provided by law, the Division enter its order approving the application as requested.

Respectfully submitted,
KELLAHIN & KELLAHIN

By _____
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED
MAY 11 1979
OIL CONSERVATION DIVISION
SANTA FE

IN THE MATTER OF THE APPLICATION
OF LEWIS B. BURLERSON, INC. FOR
UNORTHODOX WELL LOCATION AND NON-
STANDARD PRORATION UNIT, LEA COUNTY,
NEW MEXICO

Case 6566

A P P L I C A T I O N

COMES NOW Lewis B. Burlerston, Inc., by and through its attorneys, and applies to the Oil Conservation Division of New Mexico for an unorthodox well location 2310 feet from the South and West lines of Section 10, T24S, R36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico and for a non-standard gas proration unit consisting of 160 acres being the SW $\frac{1}{4}$ of said section and in support thereof would show:

1. Applicant has the right to drill and develop the SW $\frac{1}{4}$ of Section 10, T24S, R36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
2. Applicant seeks approval of an unorthodox well location 2310 feet from the South and West lines of said section 10 to test the Jalmat Gas Pool.
3. Said location is required in order to effectively and efficiently drain the SW $\frac{1}{4}$ of Section 10.
4. That applicant proposes to dedicate the SW $\frac{1}{4}$ of said section to the well and requests approval of a non-standard 160 acre gas proration unit.
5. That approval of the application will be in the best interest of conservation, prevention of waste and protection of correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as provided by law, the Division enter its order approving the application as requested.

Respectfully submitted,
KELLAHIN & KELLAHIN

By _____
W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

DRAFT

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6566

ORDER NO. R- 6038

APPLICATION OF LEWIS B. BURLESON, INC.

FOR AN UNORTHODOX ~~EX~~WELL LOCATION, AND NON-STANDARD PRORATION UNIT,

LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION



BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of June, 19 79, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Lewis E. Burleson, Inc.,
seeks approval of an unorthodox gas well location 2310
feet from the South line and 2310 feet from the
West line of Section 10, Township 24 South
Range 36 East, NMPM, ~~to test the~~

~~formation,~~ Jalmat Gas Pool, Lea
County, New Mexico. applicant also seeks a 160-acre non-standard gas

(3) That the / ~~of said Section~~ is to be
proration unit comprising the SW/4 of said Section 10 ~~to~~ the above-
~~dedicated to the well.~~ described well. *(in accordance with 65)*

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox
location.



-2-

Case No. _____

Order No. R- _____

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the *is hereby approved* Lewis B. Burleson, Inc.,
~~formation is hereby approved for a well to be located at a point~~ 2310
feet from the South line and 2310 feet from the West
line of Section 10, Township 24 South, Range 36 East
NMPM, Jalmat Gas Pool, Lea County,
New Mexico.

a 160-acre non-standard gas proration unit comprising
(2) That ~~the ----- of said Section ----- shall be dedicated to~~
the SW/4 of said Section 10 is hereby approved and shall be dedicated
the above-described well.

(3) That jurisdiction of this cause is retained for the entry of such
further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.