

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

June 5, 1987

Kellahin, Kellahin, & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin

RE: Lewis B. Burleson, Inc.
Application for Non-Standard
Gas Proration Unit and Unorthodox
Location. 28, T25S, R37E, Lea
County, New Mexico

Dear Mr. Kellahin:

In reviewing this application it was found that an approval for simultaneous dedication of the SE/4 of said Section 28 for the Cook Wells No. 1 and 2 was issued administratively by a letter dated October 10, 1973 (see attached). Is this well still producing from the Jalmat Pool, and if so, how is it to be considered in your application.

Please contact me if you should have any questions concerning this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Engineer

MES/ag

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

October 10, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Burleson & Huff
P. O. Box 935
Midland, Texas 79701


Attention: Mr. Jack Huff

Gentlemen:

Reference is made to your letter of August 30, 1973, wherein you request authority to simultaneously dedicate two wells, your Cook No. 1 and Cook No. 2, located in Units O and P, respectively, to the existing non-standard proration unit comprising the SE/4 of Section 28, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico. This unit is presently dedicated to the Cook No. 2 only.

You are hereby authorized to simultaneously dedicate the acreage described above to the aforementioned wells. The unit will automatically be reclassified from its present marginal status to a non-marginal status which it will continue to carry unless production indicates otherwise.

Very truly yours,


A. L. PORTER, Jr.
Secretary-Director

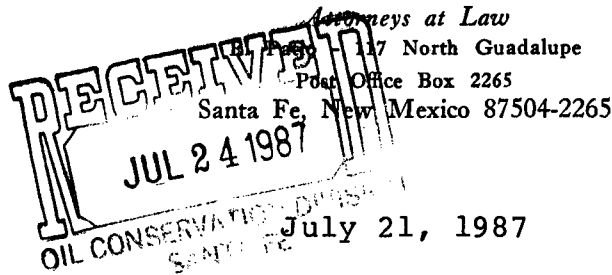
ALP/DSN/dr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Gas Proration - Santa Fe

KELLAHIN, KELLAHIN AND AUBREY

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel



Telephone 982-4285
Area Code 505

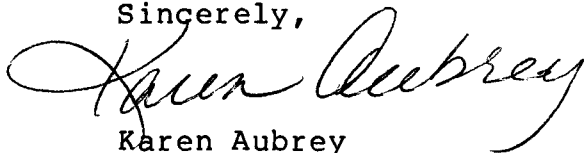
Michael E. Stogner
Engineer
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Lewis B. Burleson, Inc.
Application for Non-Standard
Gas Proration Unit and Unorthodox
Location, 28, T25S, R37E,
Lea County, New Mexico

Dear Mr. Stogner:

I have discussed your June 29, 1987 letter with Steve Burleson. Mr. Burleson requests that you exclude the 40-acres underlying the Cook Well No. 2 from the Application. This will result in a non-standard proration unit of 200-acres simultaneously dedicated to the Cook No. 1 Well and the Nancy Federal No. 1. The exhibits which Mr. Kellahin attached to his Application still apply. If you need additional information or documentation, please let me know by telephone so that we can provide you everything you need.

Sincerely,


Karen Aubrey

KA/jo
cc: Steve Burleson (w/enclosure)

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

June 29, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Kellahin, Kellahin & Aubrey
P.O. Box 2265
Santa Fe, NM 87504-2265

Attention: W. Thomas Kellahin

RE: Lewis B. Burleson, Inc.
Application for Non-Standard
Gas Proration Unit and Unorthodox
Location. 28, T25S, R37E, Lea
County, New Mexico.

Dear Mr. Kellahin:

Per your letter dated June 25, 1987 concerning the subject filing. It appears that both Division Order No. R-3840, dated September 17, 1969, which authorized a 160-acre non-standard proration unit in the Jalmat Pool and dedicated to the Cook Well No. 2, and the previously approved administrative order dated October 10, 1973, authorizing the Cook Wells Nos. 1 and 2 to be simultaneously dedicated to said 160-acre unit, should have been suspended at the time the Cook Well No. 2 converted to an oil well. Rule 2)a)3 of the Jalmat Pool promulgated by Order No. R-8170 states in part that acreage dedicated to a Jalmat gas well shall not be simultaneously dedicated to a Jalmat oil well.

At this time I can not approve this application without first excluding the 40-acres underlying the Cook Well No. 2.

If you should have any questions concerning this matter, please contact me. In the mean time, I will hold the filing pending further instruction.

Sincerely,

Michael E. Stogner /ag

Michael E. Stogner
Engineer

MES/ag

cc: Lewis B. Burleson

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285

RECEIVED Area Code 505

Jason Kellahin
Of Counsel

June 25, 1987

JUN 25 1987

OIL CONSERVATION DIVISION

Mr. Michael E. Stogner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Lewis B. Burleson, Inc.
Application for Non-Standard
Gas Proration Unit and Unorthodox
Location, Section 28, T25S, R37E,
Lea County, New Mexico

Dear Mr. Stogner:

On April 20, 1987, we filed an administrative application for Mr. Burleson seeking the formation of a non-standard 240 acre unit for the Jalmat Gas Pool.

On June 5, 1987, you sent me the enclosed letter requesting further explanation of what Mr. Burleson wanted.

I will be the first to tell you that the multitude of wells and non-standard proration units in the Jalmat Gas Pool are complex and confusing. I will attempt to tell you what we would like to accomplish.

We wish to dedicate the lease which is made up of the SE/4 of Section 28 having one shut-in gas well, the Cook #1, on this lease and the Nancy Federal Lease which is made up of a 80 acre tract, being the E/2SW/4 of Section 28, forming a 240 acre unit with the gas being produced from the Nancy Federal well, which is located in Unit N. The attached June 5th letter refers to the dual dedication of the Cook #1 and Cook #2 wells in 1973 and has nothing to do with adding Nancy Federal to this lease. For your information the Cook #2 is a Jalmat oil well.

We would like to get this done as soon as possible.

Very truly yours,


W. Thomas Kellahin

WTK:ca

cc: Mr. Lewis Burleson

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Telephone 982-4285
Area Code 505

Post Office Box 2265

Jason Kellahin
Of Counsel

Santa Fe, New Mexico 87504-2265

April 20, 1987

RECEIVED

APR 20 1987

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Director
Oil Conservation Division
P. O. Box 2208
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Lewis B. Burleson, Inc.
Application for approval of
non-standard gas proration
and spacing unit and
Unorthodox well location

Dear Mr. LeMay:

On behalf of Lewis B. Burleson, Inc., we are hereby applying to the Oil Conservation Division for administrative approval of the following non-standard proration and spacing unit and the unorthodox location in accordance with Rule 104F and 104D:

(1) 240 acre non-standard Jalmat Gas proration and spacing unit consisting of the following acreage in T25S, R37, Lea County, New Mexico:

Section 28: E/2SW/4, SE/4

(2) Simultaneous dedication of said unit to the following wells:

Nancy Federal #1 Well, Unit M, Sec 28, T25S, R37E
Cook #1 Well, Unit O, Section 28, T25S, R37E

(3) The formation of this non-standard unit makes the following well location unorthodox:

Nancy Federal #1 well at an unorthodox location 990' FSL and 2310' FWL of Section 28.

(4) Enclosed are signed waivers from all of the offset Jalmat Gas Operators which are:

Arco Oil & Gas
Conoco Inc.
Doyle Hartman
Alpha Twenty One Production Company
Culbertson & Irwin
James A. Davidson

KELLAHIN, KELLAHIN & AUBREY

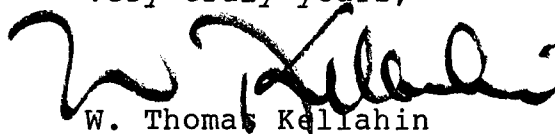
Mr. William J. LeMay
April 20, 1987
Page 2

(5) Enclosed is a plat showing the location of the unit, the subject wells and the offset operators.

Please send your approval letter directly to Lewis B. Burleson, Inc., P. O. Box 2479, Midland, Texas 79702, with a copy to me.

Please call me or Mr. Steve Burleson at (915) 683-4747 should you need further information.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name.

W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Steve Burleson

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES
BOX 2479 - PHONE 683-4747
MIDLAND, TEXAS 79702
March 16, 1987

LEWIS B. BURLESON
PRESIDENT

WAYNE JARVIS
SUPERINTENDENT

Offsetting Jalmat Gas Operators
Nancy Federal #1 & Cook # 1
E/2SW/4 & SE/4 Sec. 28, T-25-S, R-37-E,
Lea County, New Mexico

Lewis B. Burleson, Inc. respectfully requests your approval for a 240 acre non-standard Jalmat (Gas) proration unit consisting of the E/2 SW/4 & SE/4 of Sec. 28, T-25-S, R-37-E, Lea County, New Mexico. Said acreage to be simultaneously dedicated to our Nancy Federal #1 (Unit N Sec. 28, T-25-S, R-37-E) and Cook # 1 (Unit O, Sec. 28, T-25-S, R-37-E). Said Nancy Federal located at an unorthodox location of 990' FSL & 2310' FWL of Section 28.

Please indicate your approval of the above application by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope at your earliest convenience. The other enclosed copy is for your files.

Thank you for your cooperation in this matter.

Yours very truly,

Steven Burleson
Vice-President

Approved this 20 day of March 1987.

Arco Oil & Gas

By: [Signature]
Title: Area Engineer

Alpha Twenty One Production Company

By: _____
Title: _____

Conoco, Inc.

By: _____
Title: _____

Culbertson & Irwin

By: _____
Title: _____

Doyle Hartman

By: _____
Title: _____

James A. Davidson

By: _____
Title: _____

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES

BOX 2479 - PHONE 683-4747

MIDLAND, TEXAS 79702

March 16, 1987

LEWIS B. BURLESON
PRESIDENT

WAYNE JARVIS
SUPERINTENDENT

Offsetting Jalmat Gas Operators
Nancy Federal #1 & Cook # 1
E/2SW/4 & SE/4 Sec. 28, T-25-S, R-37-E,
Lea County, New Mexico

Lewis B. Burleson, Inc. respectfully requests your approval for a 240 acre non-standard Jalmat (Gas) proration unit consisting of the E/2 SW/4 & SE/4 of Sec. 28, T-25-S, R-37-E, Lea County, New Mexico. Said acreage to be simultaneously dedicated to our Nancy Federal #1 (Unit N Sec. 28, T-25-S, R-37-E) and Cook # 1 (Unit O, Sec. 28, T-25-S, R-37-E). Said Nancy Federal located at an unorthodox location of 990' FSL & 2310' FWL of Section 28.

Please indicate your approval of the above application by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope at your earliest convenience. The other enclosed copy is for your files.

Thank you for your cooperation in this matter.

Yours very truly,



Steven Burleson
Vice-President

Approved this 23 day of March, 1987.

Arco Oil & Gas

Alpha Twenty One Production Company

By: _____
Title: _____

By: _____
Title: _____

Conoco, Inc.

Culbertson & Irwin

By: 
Title: Conservation Coordinator

By: _____
Title: _____

Doyle Hartman

James A. Davidson

By: _____
Title: _____

By: _____
Title: _____

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES

BOX 2479 - PHONE 683-4747

MIDLAND, TEXAS 79702

March 16, 1987

LEWIS B. BURLESON
PRESIDENT

WAYNE JARVIS
SUPERINTENDENT

Offsetting Jalmat Gas Operators
Nancy Federal #1 & Cook # 1
E/2SW/4 & SE/4 Sec. 28, T-25-S, R-37-E,
Lea County, New Mexico

Lewis B. Burleson, Inc. respectfully requests your approval for a 240 acre non-standard Jalmat (Gas) proration unit consisting of the E/2 SW/4 & SE/4 of Sec. 28, T-25-S, R-37-E, Lea County, New Mexico. Said acreage to be simultaneously dedicated to our Nancy Federal #1 (Unit N Sec. 28, T-25-S, R-37-E) and Cook # 1 (Unit O, Sec. 28, T-25-S, R-37-E). Said Nancy Federal located at an unorthodox location of 990' FSL & 2310' FWL of Section 28.

Please indicate your approval of the above application by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope at your earliest convenience. The other enclosed copy is for your files.

Thank you for your cooperation in this matter.

Yours very truly,



Steven Burleson
Vice-President

Approved this 21st day of march, 1987.

Arco Oil & Gas

Alpha Twenty One Production Company

By: _____
Title: _____

By: _____
Title: _____

Conoco, Inc.

Culbertson & Irwin

By: _____
Title: _____

By: _____
Title: _____

Doyle Hartman ****

James A. Davidson

By: Michelle Hernandez
Title: _____

By: _____
Title: _____

****Upon acceptance of this waiver, Lewis B. Burleson, Inc. agrees not to oppose any future application by Doyle Hartman for non-standard location for his Dabbs No. 3 well to be located SW/4 SW/4 Section 34, T-25-S, R-37-E, Lea County, New Mexico.

MAR 17 1987

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES
BOX 2479 - PHONE 683-4747
MIDLAND, TEXAS 79702

March 16, 1987

LEWIS B. BURLESON
PRESIDENT

WAYNE JARVIS
SUPERINTENDENT

Offsetting Jalmat Gas Operators
Nancy Federal #1 & Cook # 1
E/2SW/4 & SE/4 Sec. 28, T-25-S, R-37-E,
Lea County, New Mexico

Lewis B. Burleson, Inc. respectfully requests your approval for a 240 acre non-standard Jalmat (Gas) proration unit consisting of the E/2 SW/4 & SE/4 of Sec. 28, T-25-S, R-37-E, Lea County, New Mexico. Said acreage to be simultaneously dedicated to our Nancy Federal #1 (Unit N Sec. 28, T-25-S, R-37-E) and Cook # 1 (Unit O, Sec. 28, T-25-S, R-37-E). Said Nancy Federal located at an unorthodox location of 990' FSL & 2310' FWL of Section 28.

Please indicate your approval of the above application by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope at your earliest convenience. The other enclosed copy is for your files.

Thank you for your cooperation in this matter.

Yours very truly,



Steven Burleson
Vice-President

Approved this 17 day of MAR, 1987.

Arco Oil & Gas

By: _____
Title: _____

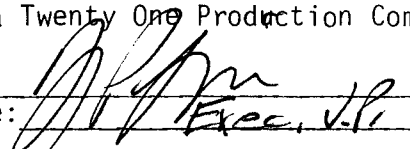
Conoco, Inc.

By: _____
Title: _____

Doyle Hartman

By: _____
Title: _____

Alpha Twenty One Production Company

By: 
Title: Exec. V.P.

Culbertson & Irwin

By: _____
Title: _____

James A. Davidson

By: _____
Title: _____

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES

BOX 2479 - PHONE 683-4747

MIDLAND, TEXAS 79702

March 16, 1987

LEWIS B. BURLESON
PRESIDENT

WAYNE JARVIS
SUPERINTENDENT

Offsetting Jalmat Gas Operators
Nancy Federal #1 & Cook # 1
E/2SW/4 & SE/4 Sec. 28, T-25-S, R-37-E,
Lea County, New Mexico

Lewis B. Burleson, Inc. respectfully requests your approval for a 240 acre non-standard Jalmat (Gas) proration unit consisting of the E/2 SW/4 & SE/4 of Sec. 28, T-25-S, R-37-E, Lea County, New Mexico. Said acreage to be simultaneously dedicated to our Nancy Federal #1 (Unit N Sec. 28, T-25-S, R-37-E) and Cook # 1 (Unit O, Sec. 28, T-25-S, R-37-E). Said Nancy Federal located at an unorthodox location of 990' FSL & 2310' FWL of Section 28.

Please indicate your approval of the above application by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope at your earliest convenience. The other enclosed copy is for your files.

Thank you for your cooperation in this matter.

Yours very truly,



Steven Burleson
Vice-President

Approved this 26 day of March, 1987.

Arco Oil & Gas

Alpha Twenty One Production Company

By: _____
Title: _____

By: _____
Title: _____

Conoco, Inc.

Culbertson & Irwin

By: _____
Title: _____

By: Kathleen Irwin
Title: _____

Doyle Hartman

James A. Davidson

By: _____
Title: _____

By: _____
Title: _____

LEWIS B. BURLESON, INC.

OIL & GAS PROPERTIES
BOX 2479 - PHONE 683-4747
MIDLAND, TEXAS 79702
March 16, 1987

LEWIS B. BURLESON
PRESIDENT

WAYNE JARVIS
SUPERINTENDENT

Offsetting Jalmat Gas Operators
Nancy Federal #1 & Cook # 1
E/2SW/4 & SE/4 Sec. 28, T-25-S, R-37-E,
Lea County, New Mexico

Lewis B. Burleson, Inc. respectfully requests your approval for a 240 acre non-standard Jalmat (Gas) proration unit consisting of the E/2 SW/4 & SE/4 of Sec. 28, T-25-S, R-37-E, Lea County, New Mexico. Said acreage to be simultaneously dedicated to our Nancy Federal #1 (Unit N Sec. 28, T-25-S, R-37-E) and Cook # 1 (Unit O, Sec. 28, T-25-S, R-37-E). Said Nancy Federal located at an unorthodox location of 990' FSL & 2310' FWL of Section 28.

Please indicate your approval of the above application by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope at your earliest convenience. The other enclosed copy is for your files.

Thank you for your cooperation in this matter.

Yours very truly,

Steven Burleson
Vice-President

Approved this 31st day of March, 1987.

Arco Oil & Gas

Alpha Twenty One Production Company

By: _____
Title: _____

By: _____
Title: _____

Conoco, Inc.

Culbertson & Irwin

By: _____
Title: _____

By: _____
Title: _____

Doyle Hartman

James A. Davidson

By: _____
Title: _____

By: 
Title: Owner

****Upon acceptance of this waiver, Lewis B. Burleson, Inc. agrees not to oppose any future application by Doyle Hartman for non-standard location for his Dabbs No. 3 well to be located SW/4 SW/4 Section 34, T-25-S, R-37-E, Lea County, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

#2-P
28-255-37

CASE No. 4199
Order No. R-3840

APPLICATION OF BURLESON & HUFF
FOR COMPULSORY POOLING AND A NON-
STANDARD GAS PRORATION UNIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of September, 1969, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Burleson & Huff, seeks an order
pooling all mineral interests in the Jalmat Gas Pool underlying
the SE/4 of Section 28, Township 25 South, Range 37 East, NMPM,
Lea County, New Mexico, to form a non-standard gas proration unit
to be dedicated to the Burleson & Huff Cook Well No. 2, a recom-
pleted well, located 660 feet from the South line and 660 feet
from the East line of said Section 28.

(3) That the applicant has the right to drill and has recom-
pleted its Cook Well No. 2 located 660 feet from the South line
and 660 feet from the East line of said Section 28 in the Jalmat
Gas Pool.

(4) That there are interest owners in the proposed non-
standard proration unit who have not agreed to pool their
interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said non-standard unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of actual well costs attributable to the recompletion of the subject well in the Jalmat zone, but excluding any costs attributable to the attempted recompletion in the Queen formation and costs of lease acquisition, to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of said actual well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the recompletion of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That \$75.00 per month should be fixed as a reasonable charge for supervision for the subject well; that the operator should be authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(11) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Jalmat Gas Pool underlying the SE/4 of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 160-acre non-standard gas proration unit to be dedicated to the Burleson & Huff Cook Well No. 2, a recompleted well, located 660 feet from the South line and 660 feet from the East line of said Section 28.

(2) That Burleson & Huff is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs attributable to the recompletion of the subject well in the Jalmat zone, but excluding costs attributable to the attempted recompletion in the Queen formation and costs of lease acquisition, within 30 days following the date of this order; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(4) That within 60 days from the date the schedule of said actual well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of said actual well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of said actual well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of said actual well costs within 60 days from the date the schedule of actual well costs is furnished to him.

CASE No. 4199
Order No. R-3840

(B) As a charge for the risk involved in the recompletion of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of actual well costs within 60 days from the date the schedule of actual well costs is furnished to him.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That \$75.00 per month is hereby fixed as a reasonable charge for supervision for the subject well; that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(8) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(9) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(10) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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

-5-

CASE No. 4199

Order No. R-3840

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

October 10, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Burleson & Huff
P. O. Box 935
Midland, Texas 79701

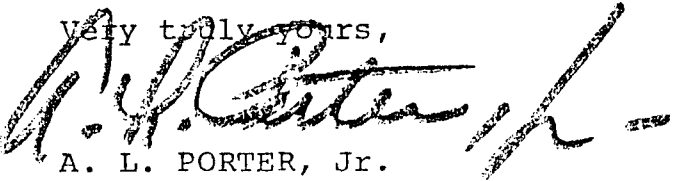
Attention: Mr. Jack Huff

Gentlemen:

Reference is made to your letter of August 30, 1973, wherein you request authority to simultaneously dedicate two wells, your Cook No. 1 and Cook No. 2, located in Units O and P, respectively, to the existing non-standard proration unit comprising the SE/4 of Section 28, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico. This unit is presently dedicated to the Cook No. 2 only.

You are hereby authorized to simultaneously dedicate the acreage described above to the aforementioned wells. The unit will automatically be reclassified from its present marginal status to a non-marginal status which it will continue to carry unless production indicates otherwise.

Very truly yours,


A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

cc; Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Gas Proration - Santa Fe

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Indian Basin-Upper Pennsylvanian Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE
JALMAT GAS POOL

The Jalmat Gas Pool, Lea County, New Mexico, was created effective September 1, 1954, from a consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. Gas prorationing was instituted in the Jalco and Langmat Pools January 1, 1954, and was continued after consolidation to form the Jalmat Gas Pool. The Jalmat Gas Pool now includes acreage that was formerly included in the Jal, Cooper-Jal, Eaves, Falby-Yates, Jalco and Langmat Pools.

A. DEFINITIONS

THE VERTICAL LIMITS of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation, except,

In the area described immediately below, the vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 250 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 13: SE/4 NE/4, SE/4
Section 23: E/2 E/2
Section 24: All
Section 25: N/2
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 18: SW/4 NW/4, W/2 SW/4
Section 19: W/2
Section 30: NW/4

A GAS WELL in the Jalmat Gas Pool shall be a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil.

AN OIL WELL in the Jalmat Gas Pool shall be a well producing from the vertical limits of the pool and not

classified as a gas well as defined above.

THE LIMITING GAS-OIL RATIO for oil wells in the Jalmat Gas Pool shall be 10,000 cubic feet of gas per barrel of oil.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a) 1. A standard gas proration unit in the Jalmat Gas Pool shall be 640 acres.

2. A standard oil proration unit in the Jalmat Gas Pool shall be 40 acres.

3. Acreage dedicated to a gas well in the Jalmat Gas Pool shall not be simultaneously dedicated to an oil well in the Jalmat Gas Pool, and the dual completion of a well so as to produce oil from the Yates and oil from the Seven Rivers or Queen formation is prohibited.

RULE 2(b) 1. A gas well in the Jalmat Gas Pool to which 640 acres is dedicated shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line or subdivision boundary line.

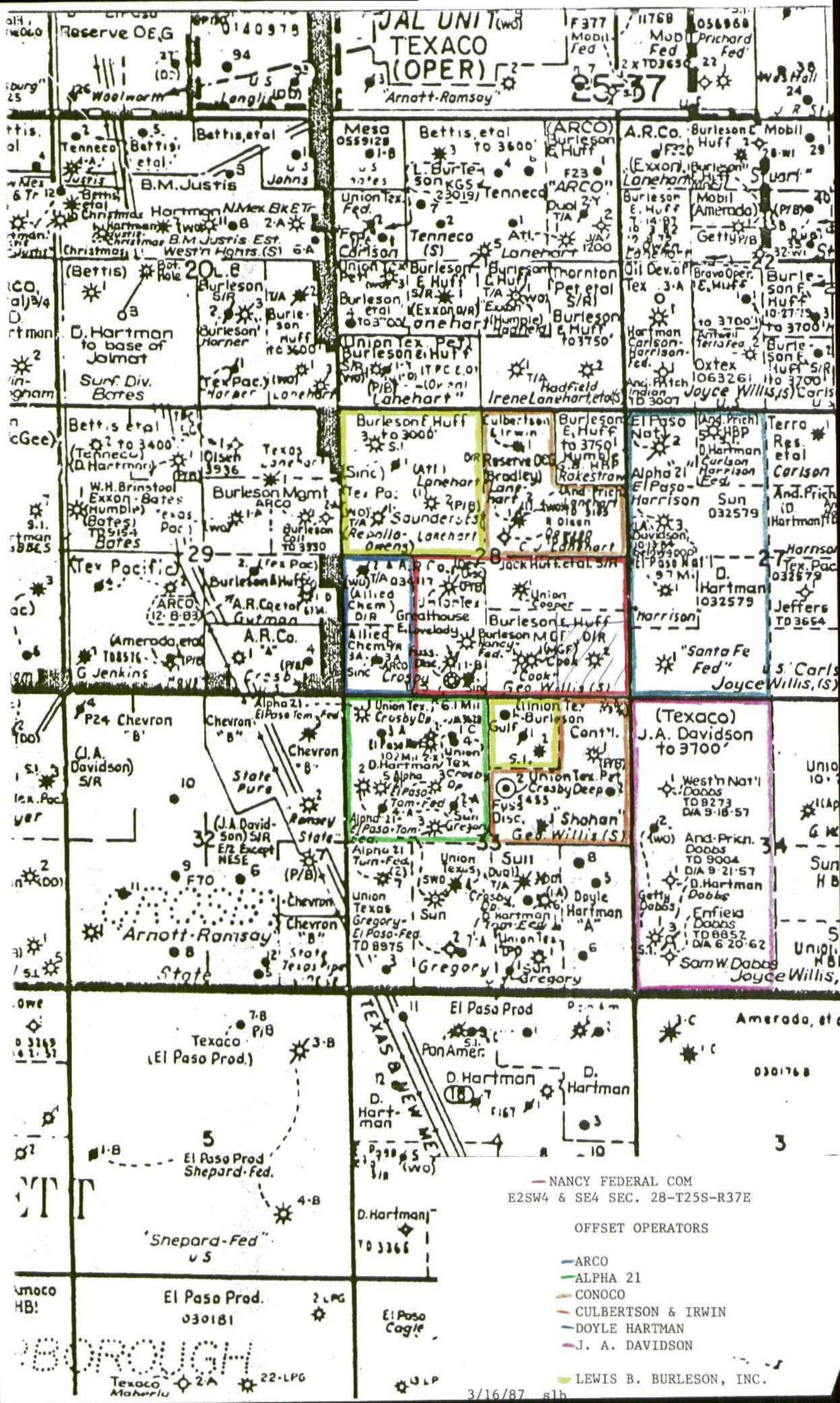
2. An oil well in the Jalmat Gas Pool shall be located no nearer than 330 feet to the outer boundary of any governmental quarter-quarter section or subdivision boundary line.

(Any well drilled to and producing from the Jalmat Gas Pool prior to September 1, 1954, at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.)

RULE 4(b) 2. In establishing a non-standard gas proration unit in the Jalmat Gas Pool, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

<u>LOCATION</u>	<u>MAXIMUM ACREAGE</u>
660-660	160 acres
660-990	320 acres
990-990	600 acres

D. ALLOCATION AND GRANTING OF ALLOWABLES



— NANCY FEDERAL COM
E2SW4 & SE4 SEC. 28-T25S-R37E

OFFSET OPERATORS

- ARCO
- ALPHA 21
- CONOCO
- CULBERTSON & IRWIN
- DOYLE HARTMAN
- J. A. DAVIDSON
- LEWIS B. BURLESON, INC.



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 9, 1986

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Kellahin and Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Attention: Karen Aubrey

AMENDED
Administrative Order NSP-1486-(L)

Gentlemen:

Reference is made to your application on behalf of Lewis B. Burleson Inc. for an 80-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 28: E/2 SW/4

It is my understanding that this unit is to be dedicated to the Nancy Federal No. 1 well located at an unorthodox location 2310 feet from the West line and 990 feet from the South line of said Section 28 hereby approved under the provisions of Rule 104 F(1).

By authority granted me under the provisions of Rule 5(c) of Order No. R-1670, as amended, the above non-standard proration unit is hereby approved.

Sincerely,

R. L. STAMETS, DIRECTOR

RLS/DC/dr

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Hobbs