

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER (505) 983-6043

August 28, 1992

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

W.F. Carr
RECEIVED

AUG 28 1992

OIL CONSERVATION DIV.
SANTA FE

Re: Oil Conservation Division Case No. 10541:
Application of Bird Creek Resources, Fortson Oil Company and Ray Westall
Operating, Inc., for Special Pool Rules, Eddy County, New Mexico

Dear Mr. LeMay:

Bird Creek Resources, Fortson Oil Company and Ray Westall Operating, Inc., respectfully requests that this matter which is currently set on the Division docket for the September 3, 1992 hearings be continued to the September 17, 1992 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

William F. Carr
WILLIAM F. CARR

WFC:mlh

OIL CONSERVATION DIVISION
RECEIVED

'92 SEP 15 AM 8 53

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

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

CASE NO. 10541

THE CONSOLIDATED APPLICATION OF
BIRD CREEK RESOURCES, FORTSON
OIL COMPANY AND RAY WESTALL
OPERATING INC., FOR SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO

ENTRY OF APPEARANCE

COMES NOW, W. THOMAS KELLAHIN of Kellahin and
Kellahin, and enters the firm's appearance on behalf of
BASS ENTERPRISES PRODUCTION COMPANY in the above
captioned matter.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR BASS ENTERPRISES
PRODUCTION COMPANY AND HANLEY
PETROLEUM INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Entry of Appearance was both sent by facsimile transmission and by U.S. Mail, postage prepaid to William F. Carr, (Fax 505/983-6043) Campbell, Carr, Berge and Sheridan, P.O. Box 2208, Santa Fe, New Mexico 87504 and William J. LeMay/Michael Stogner (Fax 505/827-5741) Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87504 on this 10th day of September, 1992.



W. Thomas Kellahin

entt910.057

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

IN THE MATTER OF THE HEARING
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DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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OIL CONSERVATION DIVISION
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DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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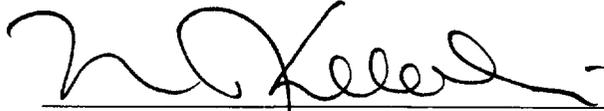
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Original

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W. Thomas Kellahin

entt827.215

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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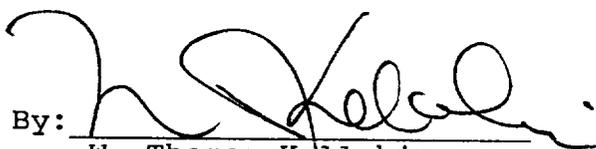
AUG 31 1997

OIL CONSERVATION DIVISION

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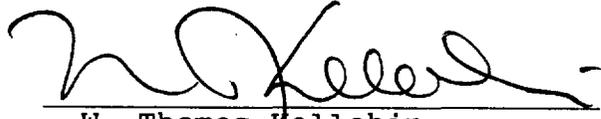
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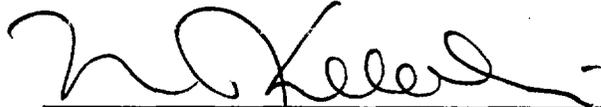
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W. Thomas Kellahin

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

W. THOMAS KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEET

DATE: August 28, 1992

NUMBER OF PAGES: 3
(including cover sheet)

TIME: _____

TO: William J. Lemay

FROM: W. Thomas Kellahin

OF: Oil Conservation Division

SPECIAL INSTRUCTIONS:

FAX NO 5741

 URGENT

RE: Consolidated Application

 FOR YOUR INFORMATION

of Bird Creek et al/NMOCD

 FOR YOUR REVIEW

Case No. 10541

 PLEASE REPLY

 FOR YOUR APPROVAL

 PER YOUR REQUEST

MESSAGE: Our Entry of Appearance in this case follows. A
hard copy will follow by mail.

A HARD COPY WILL WILL NOT FOLLOW BY U.S. MAIL.

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

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

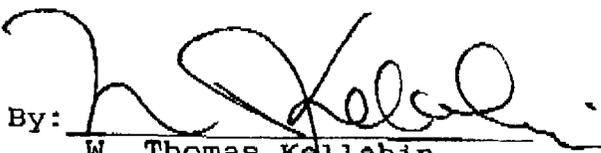
CASE NO. 10541

THE CONSOLIDATED APPLICATION OF
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OPERATING INC., FOR SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO

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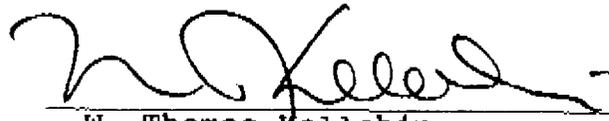
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W. Thomas Kellahin

entt827.215

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING

117 NORTH GUADALUPE
POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEET

DATE: September 10, 1992

NUMBER OF PAGES: 3
(including cover sheet)

TIME: _____

TO: Michael Stogner/William LeMay

FROM: W. Thomas Kellahin

OF: Oil Conservation Division

SPECIAL INSTRUCTIONS:

FAX NO.: 827-5741

- URGENT
- FOR YOUR INFORMATION
- FOR YOUR REVIEW
- PLEASE REPLY
- FOR YOUR APPROVAL
- PER YOUR REQUEST

RE: NMOCD Case No. 10541

Application of Bird Creek et al
for Special Pool Rules

MESSAGE: Our Entry of Appearance on behalf of Bass Enterprises
Production Co. in the above case follows.

A HARD COPY _____ WILL _____ WILL NOT FOLLOW BY U.S. MAIL.

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

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

CASE NO. 10541

THE CONSOLIDATED APPLICATION OF
BIRD CREEK RESOURCES, FORTSON
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OPERATING INC., FOR SPECIAL POOL
RULES, EDDY COUNTY, NEW MEXICO

ENTRY OF APPEARANCE

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BASS ENTERPRISES PRODUCTION COMPANY in the above
captioned matter.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

ATTORNEYS FOR BASS ENTERPRISES
PRODUCTION COMPANY AND HANLEY
PETROLEUM INC.

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W. Thomas Kellahin

entt910.057

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER (505) 983-6043

September 25, 1992

HAND-DELIVERED

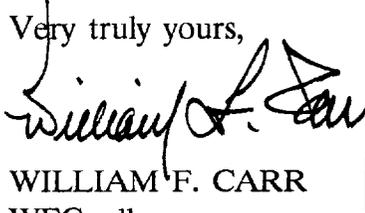
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: Oil Conservation Division Case No. 10541:
Application of Bird Creek Resources, Fortson Oil Company and Ray Westall
Operating, Inc., for Special Pool Rules, Eddy County, New Mexico

Dear Mr. LeMay:

The purpose of this letter is to advise you that Fortson Oil Company has advised me that they do not desire to be an applicant in the above-referenced case. Accordingly, as the first order of business at the October 1, 1992 hearing in this matter, we will move to dismiss Fortson Oil Company as an applicant in this case. At that time I will also withdraw my appearance as counsel for Fortson Oil Company and other counsel will appear for them in this case.

Very truly yours,


WILLIAM F. CARR
WFC:mlh

cc: Mr. John Tittle
Fortson Oil Company

TELECOPIED: 817-877-1817

RECEIVED
SEP 25 1992
OIL CONSERVATION DIV.
SANTA FE

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

October 30, 1992

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

HAND DELIVERED

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RE: ~~NMSED Case 10541~~
Application of BirdCreek Resources
for Special Pool Rules,
Eddy County, New Mexico

OCT 30 1992

OIL CONSERVATION DIVISION

Dear Mr. Stogner:

On behalf of Fortson Oil Company, I participated in the hearing of the referenced case held on October 1, 1992. At the conclusion of the hearing, you directed Mr. William F. Carr, attorney for the applicant, and I to attempt to reach agreement on a proposed order for entry in this case.

I regret to inform you that, while there is substantial agreement on the order, there are certain key words and phrases for which we cannot agree.

That failure of agreement is based upon our differences concerning the substantial nature of the evidence. From my review of the record, I concluded that the evidence was only preliminary and would be insufficient to support absolute conclusions about what may or may not be an isolated gas stringer. For example, Mr. Rex Howell, Petroleum Engineer for the applicant, gave a list of reservoir data that had not yet been developed: there is no PVT data, there is no production test directly attributable only to the actual "gas" zone in question, and there is no valid bottom hole fluid sample.

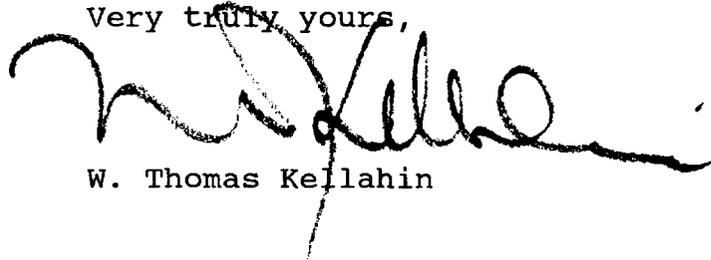
On the other hand, Mr. Carr has proposed findings which are more permanent in nature. For example, he has findings in paragraphs (10), (12) and (13) of his proposed order which are more absolute than mine. He concludes that there is no gas cap in this reservoir and

Mr. Michael E. Stogner
October 30, 1992
Page Two

concludes that this is nothing more than a solution gas drive reservoir. Those are findings which we consider beyond the current evidence and more appropriately found in a hearing to make temporary GOR rules permanent.

We consider these to be temporary rules and the order should contain findings which are preliminary in nature. Accordingly, please find enclosed Fortson Oil Company's Proposed Order for your consideration.

Very truly yours,

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

W. Thomas Kellahin

WTK/jcl
Enclosure

xc: With Enclosure
William F. Carr, Esq
Fortson Oil Company
Hanley Petroleum Inc.
Bass Enterprises Production Company

ltr1030.653

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. 10541
ORDER NO. R-_____

THE CONSOLIDATED APPLICATION OF
BIRD CREEK RESOURCES, FORTSON OIL
COMPANY AND RAY WESTALL OPERATING,
INC. FOR SPECIAL POOL RULES, EDDY
COUNTY, NEW MEXICO

FORTSON'S PROPOSED
ORDER OF THE DIVISION

BY THE DIVISION:

THIS cause came on for hearing at 8:15 a.m. on
October 1, 1992, at Santa Fe, New Mexico, before
Examiner Michael E. Stogner.

NOW, on this _____ day of October, 1992, the
Division Director, having considered the testimony, the
record and the recommendations of the Examiner, and
being fully advised in the premises,

FINDS THAT:

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

(2) Fortson Oil Company moved to be realigned
from an applicant to an interested party in this case
and the motion should be granted.

(3) Bird Creek Resources and Ray Westall
Operating, Inc. (hereinafter referred to as
"Applicants"), seek an order promulgating special pool
rules for the East Herradura Bend-Delaware Pool,

Case No. 10541

Order No. R- _____

Page 2

including a provision for a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil.

(4) Fortson Oil Company, Hanley Petroleum, Inc. and Bass Enterprises Production Company, each entered its respective appearance as a party affected by this case.

(5) The East Herradura Bend-Delaware Pool was created and defined by Division Order No. R-8179, as amended, and is currently governed by the Oil Conservation Division's Statewide Rules and Regulations, including a gas-oil ratio of 2,000 cubic feet of gas per barrel of oil and a top oil allowable of 142 barrels per day.

(6) The East Herradura Bend-Delaware Pool is located in portions of Sections 34 and 35, Township 22 South, Range 28 East and a portion of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

(7) Recently there has been substantial development in the Delaware formation outside the defined boundaries of this Pool but within one mile thereof and new wells are being curtailed due to the Statewide gas-oil ratio of 2,000 cubic feet per barrel of oil.

(8) In this area, the Brushy Canyon portion of the Delaware includes several hundred feet of shale and sand stringers, and, based upon currently available information, one of which appears to be only productive of natural gas.

(9) The fracture treatments typically used in completing Delaware wells in this area have communicated this gas stringer with the other producing zones in this formation resulting in wells producing at high gas-oil ratios.

(10) If the wells in this pool are produced under the Statewide gas-oil ratio limitation of 2,000 to 1,

Case No. 10541

Order No. R- _____

Page 3

liquids cannot be efficiently produced from the reservoir and substantial volumes of liquids may remain trapped as the reservoir energy is depleted by the gas production.

(11) Currently there is no production data, PVT analysis, or fluid samples taken exclusively from that sand stringer believed by the applicants to be productive of only gas.

(12) Currently there is no evidence available to demonstrate that a single gas cap was originally present in this reservoir or what ultimate affect this single gas productive stringer may have on ultimate recovery from the reservoir.

(13) Gas produced by the wells in this pool is comprised of solution gas plus free gas from oversaturated crude oil and/or gas from a separate gas zone. While the current gas producing rates for these wells may not be an accurate indication of the actual gas-oil ratios of the hydrocarbons at reservoir conditions or the ultimate appropriate gas-oil ratios at which these wells should be produced, approval of a temporary gas-oil ratio of 10,000 cubic feet of gas per barrel of oil is not expected to excessively dissipate reservoir energy or otherwise cause waste.

(14) The currently available evidence presented at the hearing, demonstrated that a temporary gas-oil ratio limit of 10,000 cubic feet per barrel of oil in the East Herradura Bend-Delaware Pool for a period of six months commencing on October 1, 1992 will afford an opportunity for all operators to gather more reservoir data, allow the reservoir in this portion of the Delaware formation to be produced at a faster and more efficient rate without harm to correlative rights and without causing waste and should be approved.

(15) Additional data on the producing characteristics of this reservoir, including appropriate gas-oil producing rates, are rapidly being

Case No. 10541

Order No. R- _____

Page 4

acquired due to the development currently underway in this pool and Special Pool Rules and Regulations for this pool should be promulgated on a temporary basis and should be reviewed by the Division in six months.

(16) The Applicants request that Temporary Pool Rules and Regulations for this Pool be effective as of October 1, 1992 and this request should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The request of Fortson Oil Company to be dismissed as an applicant in this case is hereby granted.

(2) The application of Bird Creek Resources and Ray Westall Operating, Inc. for special pool rules providing for an increased gas-oil ratio limit for the East Herradura Bend-Delaware Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
EAST HERRADURA BEND-DELAWARE POOL

RULE 1. The limiting gas-oil ratio for the East Herradura Bend-Delaware Pool shall be 10,000 cubic feet of gas for each barrel of oil.

IT IS FURTHER ORDERED THAT:

(4) The Special Rules and Regulations for the East Herradura Bend-Delaware Pool shall become effective October 1, 1992.

(5) This case shall be reopened at an Examiner Hearing in March, 1993, at which time the operators in the pool may appear and present evidence and show cause why the foregoing Special Rules and Regulations should remain in effect.

Case No. 10541

Order No. R- _____

Page 5

(6) Jurisdiction of this cause is retained for 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

WILLIAM J. LEMAY
Director

S E A L

ordt1019.653

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
TELECOPIER (505) 983-6043

October 30, 1992

HAND-DELIVERED

Michael E. Stogner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

OCT 30 1992

OIL CONSERVATION DIVISION

Re: ~~Oil Conservation~~ Division Case No. 10541:
Consolidated Application of Bird Creek Resources, Fortson Oil Company and
Ray Westall Operating, Inc. for Special Pool Rules, Eddy County, New
Mexico

Dear Mr. Stogner:

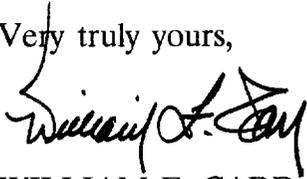
Enclosed is the proposed Order of Bird Creek Resources and Ray Westall Operating, Inc. in the above-referenced case. Pursuant to your request at the October 1, 1992 hearing in this matter, this Order was submitted to Mr. Kellahin, attorney for Fortson Oil Company for his review and comment. Since that time Mr. Kellahin and I have circulated several drafts, but we must advise you that the parties are unable to reach complete agreement as to the findings for a proposed Order. Accordingly, we have agreed that each of us will submit their own proposed Order to you on this date.

I regret that we have been unable to concur in all findings for a proposed Order, but trust the enclosed will be of assistance to you in deciding this case.

Michael E. Stogner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
October 30, 1992
Page 2

If you need anything further from the Applicants, please advise.

Very truly yours,



WILLIAM F. CARR

WFC:mlh
Enclosure
cc w/enc.:

Ray Westall Operating, Inc.
Attn: Mr. Randy Harris

Bird Creek Resources
Attn: Mr. Brad Burks

Collins & Ware, Inc.
Attn: Mr. Herb Ware, III

W. Thomas Kellahin, Esq.
James G. Bruce, Esq.

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. 10541
Order No. R-_____

CONSOLIDATED APPLICATION OF BIRD CREEK
RESOURCES, FORTSON OIL COMPANY AND
RAY WESTALL OPERATING, INC. FOR
SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

**APPLICANTS' PROPOSED
ORDER OF THE DIVISION**

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 1, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this ____ day of October, 1992, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) Fortson Oil Company moved to be dismissed as an applicant in this case and the motion should be granted.

(3) Bird Creek Resources and Ray Westall Operating Inc., (hereinafter referred to as "Applicants"), seek an order promulgating special pool rules for the East Herradura Bend-Delaware Pool, including a provision for a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil.

(4) The East Herradura Bend-Delaware Pool was created and defined by Division Order No. R-8179, as amended, and is currently governed by the Oil Conservation Division's Statewide Rules and Regulations, including a gas-oil ratio of 2,000 cubic feet of gas per barrel of oil and a top oil allowable of 142 barrels per day.

(5) The East Herradura Bend-Delaware Pool is located in portions of Sections 34 and 35, Township 22 South, Range 28 East and a portion of Section 2, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

(6) Recently there has been substantial development in the Delaware formation outside the defined boundaries of this Pool but within one mile thereof and new wells are being curtailed due to the Statewide gas-oil ratio of 2,000 cubic feet per barrel of oil.

(7) In this area, the Bushy Canyon portion of the Delaware includes several hundred feet of shale and sand stringers, one of which is only productive of natural gas.

(8) The fracture treatments typically used in completing Delaware wells in this area have communicated this gas stringer with the other producing zones in this formation resulting in wells producing at high gas-oil ratios.

(9) If the wells in this pool are produced under the Statewide gas-oil ratio limitation of 2,000 to 1, liquids cannot be produced from the reservoir.

(10) There is no evidence of a gas cap in this reservoir.

(11) Gas produced by the wells in this pool is either solution gas or gas from a separate gas zone and gas producing rates are independent of the rates at which these wells are produced. Therefore, approval of a gas-oil ratio of 10,000 cubic feet of gas per barrel of oil will not dissipate reservoir energy or otherwise cause waste.

(12) The evidence presented at the hearing, demonstrated that a gas-oil ratio limit of 10,000 cubic feet per barrel of oil in the East Herradura Bend-Delaware Pool will allow the reservoir in this portion of the Delaware formation to be produced at a faster and more efficient rate without harm to correlative rights and without causing waste and should be approved.

(13) Data on the producing characteristics of this reservoir is rapidly being acquired due to the aggressive development currently underway in this pool and Special Pool Rules and Regulations for this pool should be promulgated on a temporary basis and should be reviewed by the Division in six months.

(14) The Applicants request that Temporary Pool Rules and Regulations for this Pool be effective as of October 1, 1992 and this request should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The request of Fortson Oil Company to be dismissed as an applicant in this case is hereby granted.

(2) The application of Bird Creek Resources and Ray Westall Operating Inc., for special pool rules providing for an increased gas-oil ratio limit for the East Herradura Bend-Delaware Pool, Eddy County, New Mexico, is hereby approved on a temporary basis.

(3) Temporary special pool rules for the East Herradura Bend-Delaware Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS FOR THE
EAST HERRADURA BEND-DELAWARE POOL**

RULE 1. The limiting gas-oil ratio for the East Herradura Bend-Delaware Pool shall be 10,000 cubic feet of gas for each barrel of oil.

IT IS FURTHER ORDERED THAT:

(4) The Special Rules and Regulations for the East Herradura Bend-Delaware Pool shall become effective October 1, 1992.

Case No. 10541

Order No. R-_____

Page 4

(5) This case shall be reopened at an Examiner hearing in March, 1993, at which time the operators in the pool may appear and present evidence and show cause why the foregoing Special Rules and Regulations should remain in effect.

(6) Jurisdiction of this cause is retained for 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**

**WILLIAM J. LeMAY
Director**

S E A L



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 4, 1993

Ray Westall
Box 4
Loco Hills, New Mexico 88255

Gentlemen:

In accordance with the provisions of Division Order No. R-9773 entered on November 19, 1992, the Oil Conservation Division is reopening Case No. 10541 in order to give all operators in the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and show cause why the Special Rules and Regulations promulgated for said East Herradura Bend-Delaware Pool should remain in effect.

This case will be heard before an examiner on June 17, 1993, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the docket for this hearing is enclosed.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

enc.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 4, 1993

Fortson Oil Company
301 Commerce St., Suite 301
Fort Worth, Texas 76102

Gentlemen:

In accordance with the provisions of Division Order No. R-9773 entered on November 19, 1992, the Oil Conservation Division is reopening Case No. 10541 in order to give all operators in the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and show cause why the Special Rules and Regulations promulgated for said East Herradura Bend-Delaware Pool should remain in effect.

This case will be heard before an examiner on June 17, 1993, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the docket for this hearing is enclosed.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

enc.



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 4, 1993

Bird Creek Resources, Inc.
Box 21470
Tulsa, Oklahoma 74121

Gentlemen:

In accordance with the provisions of Division Order No. R-9773 entered on November 19, 1992, the Oil Conservation Division is reopening Case No. 10541 in order to give all operators in the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, the opportunity to appear and present evidence and show cause why the Special Rules and Regulations promulgated for said East Herradura Bend-Delaware Pool should remain in effect.

This case will be heard before an examiner on June 17, 1993, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. A copy of the docket for this hearing is enclosed.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

enc.

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 28, 1993

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



Re: Oil Conservation Division Case No. 10541:
In the Matter of Case 10541 Being Reopened Pursuant to the Provisions of
Division Order No. R-9773, Which Order Promulgated Special Pool Rules and
Regulations for the East Herradura Bend-Delaware Pool, Eddy County, New
Mexico

Dear Mr. LeMay:

Bird Creek Resources and Ray Westall Operating, Inc. respectfully requests that this matter which is currently set on the Division docket for the July 1, 1993 hearings be continued to the July 15, 1993 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR
WFC:mlh

cc: Ray Westall Operating, Inc.
Attn: Mr. Randy Harris
Bird Creek Resources
Attn: Mr. Brad Burks
Collins & Ware, Inc.
Attn: Mr. Herb Ware
W. Thomas Kellahin, Esq.
James Bruce, Esq.

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

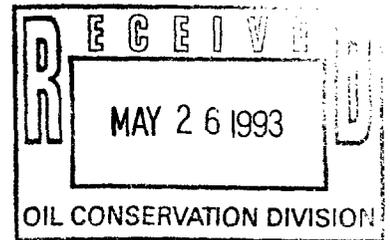
W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

May 26, 1993

DAC



HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Re: **MOTION FOR CONTINUANCE**
NMOCD Case 10541 (Re-opened)
Order R-9773
East Herradura Bend-Delaware Pool

Dear Mr. LeMay:

On behalf of Fortson Oil Company, I hereby request that the referenced case which is on the Examiner's docket for June 17, 1993 be continued to the Examiner's docket now scheduled for July 1, 1993.

I have obtained the concurrence of Mr. William F. Carr who is the attorney of record for Bird Creek Resources and Ray Westall Operating Inc. There are no other attorneys current of record in this case.

Very truly yours

A handwritten signature in black ink, appearing to read "W. Thomas Kellahin".

W. Thomas Kellahin

cc: William F. Carr, Esq.
cc: John Tittl (Fortson Oil Company)

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 19, 1992

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10541
ORDER NO. R-9773

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally Leichtle
Sally E. Leichtle
Administrative Secretary

cc: BLM Carlsbad Office
Alvin Tapia
T. Kellahin
J. Bruce