

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

RECEIVED

FEB 17 1967

IN THE MATTER OF THE APPLICATION
OF BTA OIL PRODUCERS TO CONTRACT
THE HORIZONTAL LIMITS OF THE WEST
OSUDO-WOLFCAMP POOL AND THE
CONCOMITANT CREATION OF A NEW GAS
POOL WITH SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE NO. 9078

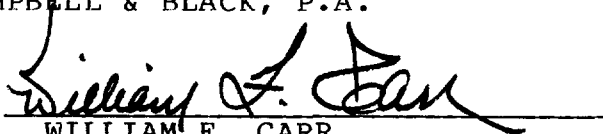
ENTRY OF APPEARANCE

COMES NOW CAMPBELL & BLACK, P.A. and hereby enters its
appearance in the above-referenced case on behalf of AMOCO
PRODUCTION COMPANY.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By



WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR AMOCO
PRODUCTION COMPANY

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285

Area Code 505

W. Thomas Kellahin

Karen Aubrey

Jason Kellahin

Of Counsel

December 1, 1988

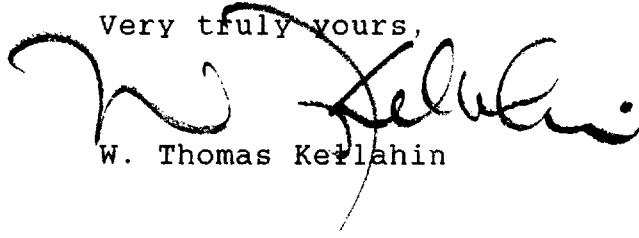
Mr. Michael E. Stogner
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, NM 87503

Re: BTA Oil Producers
NMOCD Case 9078 (Reopened)

Dear Mr. Stogner:

In accordance with your request at the hearing, please find enclosed a Proposed Order for entry in this case.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', is written over the typed name. The signature is fluid and cursive, with a large initial 'W' and a long, sweeping underline.

W. Thomas Kellahin

WTK/dm

Encl.

cc: Steve Salmon

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF
CASE 9078 BEING REOPENED
PURSUANT TO THE PROVISIONS
OF ORDER R-8450 TO RECONSIDER
RULES FOR THE SOUTHWEST
OSUDO-WOLFCAMP POOL,
LEA COUNTY, NEW MEXICO

CASE 9078 (Reopened)

BTA OIL PRODUCERS'
PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 22, 1988, at Santa Fe, New Mexico, before Examiner, Michael E. Stogner.

NOW, on this _____ day of November, 1988, 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) By Division Order R-8450, dated May 29, 1987, the Division contracted the horizontal limits of the West Osudo-Wolfcamp Pool and created the Southwest Osudo-Wolfcamp Gas Pool.

(3) By Order R-8450, the Division further determined that the Southwest Osudo-Wolfcamp Gas Pool should be governed by the Division General Rules and Regulations for Wolfcamp gas wells in Southeast New Mexico and further required BTA Oil Producers to appear at the hearing in

November, 1988 and present evidence as to the exact nature of the reservoir and more particularly, as to the proper rate of withdrawal from the reservoir if it is indeed determined to be a retrograde gas condensate reservoir.

(4) BTA Oil Producers appeared as required by the Division and provided evidence that included the following:

(a) While the pool is believed to be a retrograde gas reservoir, the exact determination of the proper rate of withdrawal from the reservoir cannot be made at this time because the performance of the single well in the pool is in a state of flux due to water encroachment into the well.

(b) The BTA's 8605 JV-P Byers No. 1 well, the single well in the pool, is currently being produced with a beam pump the capacity of which precludes excessive production from the reservoir.

(c) While concern was expressed at the initial hearing that the condensate ratio would decrease due to condensate dropping out of the gas, subsequent data demonstrates that water production is increasing with the gas oil ratio remaining relatively unchanged.

(d) As of September 22, 1988 pressure in the Byers #1 well was 3,450 psi indicating a pressure drawdown of slightly over 1,000 psi since the last test on January 13, 1987 thus establishing that the reservoir is not being depleted at an excessive rate.

(5) Data developed subsequent to the March 4, 1987 hearing confirms that the Southwest Osudo-Wolfcamp Gas pool is not in pressure communication with the West Osudo-Wolfcamp Oil Pool.

(6) Because the performance of the Byers #1 well is in a current state of flux, the provisions of Order R-8450 should be continued and this case again reopened at an examiner hearing in approximately 12 months from the date of this Order at which time the applicant should again appear and present evidence on the performance of this reservoir.

IT IS THEREFORE ORDERED THAT:

(1) The Southwest Osudo-Wolfcamp Gas Pool shall continue to be governed by the Division General Rules and Regulations for Wolfcamp gas wells in Southeast New Mexico.

(2) This case shall be reopened in December, 1989, at which time the applicant should be prepared to appear and present evidence as to the exact nature of the reservoir and more particularly, as to the proper rate of withdrawal from the reservoir if it is indeed determined to be a retrograde gas condensate reservoir.

(3) 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

William J. LeMay
Director

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
Area Code 505

Jason Kellahin
Of Counsel

March 20, 1987

RECEIVED

MAR 20 1987

OIL CONSERVATION DIVISION

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

"Hand Delivered"

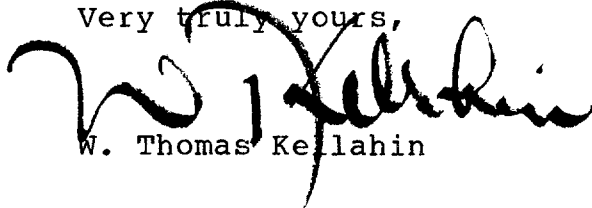
Re: BTA Oil Producers Inc.
Application for creation of a
new Wolfcamp Gas Pool
NMOCD Case 9078

Dear Mr. Stogner:

On behalf of BTA Oil Producers, Inc., please find enclosed our proposed order for entry in the case before you on March 4, 1987.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Steve Salmon
BTA Oil Producers, Inc.
104 South Pecos
Midland, Texas 79701

William F. Carr, Esq.
Campbell & Black
P. O. Box 2208
Santa Fe, New Mexico 87504

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. 9078
ORDER NO. R-

APPLICATION OF BTA OIL PRODUCERS
TO CONTRACT THE HORIZONTAL LIMITS
OF THE WEST OSUDO-WOLFCAMP POOL
AND THE CONCOMITANT CREATION OF
A NEW GAS POOL WITH SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

BTA OIL PRODUCER'S
PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 4, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, this ____ day of March, 1987, the Division Director, having considered the testimony, the record, and the recommendation of the Examiner, and being fully advised in the premises,

FINDS:

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

2. The Applicant, BTA Oil Producers, seeks an order contracting the West Osudo-Wolfcamp Pool by the deletion therefrom of the NE/4 of Section 23, Township 20 South, Range 35 East, and the creation of a new gas pool for Wolfcamp production comprising the NE/4 of said Section 23. Applicant also seeks the promulgation of temporary special pool rules for this new gas pool, including a provision for 160-acre spacing or proration units.

3. The West Osudo-Wolfcamp Pool was created by Order R-7858 entered on April 1, 1985 and currently includes the NE/4 of Section 23 and the NW/4 of Section 24, T20S, R35E, N.M.P.M., Lea County, New Mexico.

4. The Amoco Production Company Heller Trust Com No. 1 ("the Heller Well") located in Unit E, Section 24, T20S, R35E, and the BTA Oil Producers Byers 8605 JV-P N. 1 ("The Byers Well") located in Unit H, Section 23, T20S, R35E, are the only wells currently capable of production within the designated West Osudo-Wolfcamp Pool.

5. Amoco Production Company and Ronald J. Byers appeared in opposition to the BTA application but provided no engineering or geological evidence.

6. The geologic and engineering evidence presented by BTA Oil Producers demonstrated that while the Heller and Byers wells are completed in the Wolfcamp formation, the Byers well encountered the top of the Third Bone Spring Sand at 7315 with the Heller Well encountering the same sand at a point 7269 which is some 46 feet higher on the structure.

7. The evidence demonstrated that the trapping mechanism for the reservoir is stratigraphic.

8. BTA Oil Producers submitted reservoir fluid data and a PVT analysis which demonstrates that the reservoir being produced by the Byers well consists of 100% gas hydrocarbons at reservoir conditions.

9. The PVT data conclusively demonstrates that the reservoir fluids exist as a gas and the reservoir should be classified as a retrograde condensate gas reservoir.

10. The BTA Byers well is completed at a lower structural position than the Amoco Heller well.

11. The BTA Byers well and the Amoco Best Com #1 well have a higher GOR than the initial GOR for the Amoco Heller well.

12. That despite being completed in June, 1985, and having produced significant oil and gas, the Amoco Heller well has not had an effect on the pressure in the BTA Byers well.

13. The analysis of the production graph for the Amoco Heller well (BTA exhibit 8) shows that the Amoco well is a typical performance of a limited reservoir oil well.

14. There is no evidence of pressure communication, drainage, or interference between the Amoco Heller well and the BTA Byers well.

15. Amoco failed to present any PVT analysis, pressure data, or fluid properties data on the Amoco Heller well.

16. BTA does not seek to change the spacing for the Amoco Heller well.

17. Amoco has the option to present data on its Heller well and to establish whether that well should be classified as a gas well or continue being classified as an oil well.

18. While the BTA well has the capacity to drain 160 acres, there is no evidence that the BTA well will drain the Amoco acreage in Section 24.

19. Amoco has failed to establish that the producing rate for the BTA Byers well will have any adverse affect on the rate set for the Amoco Heller well.

20. The evidence available to the Division shows that the Amoco Heller well and the BTA Byers well are in separate reservoirs.

21. That the BTA evidence further established that 2930 MCF of gas per day should be established as a maximum rate of withdrawal for well in said pool.

22. That maximum rate is based upon the fact that BTA has experienced little pressure draw down in its BTA Byers well and the pool appears not to be rate sensitive.

23. That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the agumentation of risk arising from the drilling of an excessive number of wellls, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 160 acre spacing units should be promulgated for the South Osudo-Wolfcamp Pool.

24. The Application of BTA Oil Producers should be granted.

25. The temporary special rules should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

26. The temporary special rules should be established for a 24-month period in order to allow the operators in the subject pool to gather reservoir information to establish whether the temporary rules should be made permanent.

27. This cause should be reopened at an Oil Conservation Division examiner hearing in March, 1989, at which time the operators in the subject pool should be prepared to appear and show cause why the South Osudo-Wolfcamp Pool should not be developed on 40 acre spacing units.

28. The newly defined pool and the horizontal limits of the South Osudo-Wolfcamp Pool should be as follows:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 23: NE/4

29. The discovery well for said South Osudo-Wolfcamp Pool is applicants Byers 8605 JV-P No. 1 located in Unit H. Section 23, T20S, R35E and completed through perforations from 7298 feet to 8398 feet.

30. The effective date of the pool creation and the Special Rules promulgated for the South Osudo-Wolfcamp Pool should be March 1, 1987.

IT IS THEREFORE ORDERED THAT:

(1) The West Osudo-Wolfcamp Oil Pool in Lea County, New Mexico, as heretofore defined and described, is hereby contracted by the deletion therefrom of NE/4 Section 23, T20S, R35E.

(2) A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp Production is hereby created and designated as the South Osudo-Wolfcamp Pool, with vertical limits comprising the Wolfcamp formation with horizontal limits as follows:

NE/4 Section 23
Township 20 South, Range 35 East

(3) Temporary Special Rules for the South Osudo-Wolfcamp Pool are hereby promulgated as follows:

SPECIAL RULES FOR THE
SOUTH OSUDO-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the South Osudo-Wolfcamp Pool or in the correlative interval within one mile of its northern, southern, or western boundary, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. No more than one well shall be completed or recompleted on a standard unit containing 160 acres, more or less, of a governmental section.

RULE 3. Non-standard spacing or proration units shall be authorized only after proper notice and hearing.

RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the spacing or proration unit, nor nearer than 330 feet to a governmental quarter-quarter section line.

RULE 5. Any well presently completed in or drilling to the South Osudo-Wolfcamp Pool which would be at an unorthodox location under these rules is hereby granted an exception thereto.

IT IS FURTHER ORDERED THAT:

(1) The pool contraction, pool creation and Special Pool Rules for the South Osudo-Wolfcamp Pool shall become effective March 1, 1987.

(2) That the West Osudo-Wolfcamp Oil Pool is contracted and the NE/4 of Said Section deleted therefrom.

(3) This case shall be reopened in an examiner hearing in June of 1988, at which time the operators of the subject pool should be prepared to appear and show cause why the South Osudo-Wolfcamp Pool should not be developed on 40-acre spacing units.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

V.C. - W.L. No
528412

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe

Telephone 982-4285

Post Office Box 2265

Area Code 505

Jason Kellahin
Of Counsel

Santa Fe, New Mexico 87504-2265

MAY 18 1987

May 15, 1987

Advertised for 6/13/87
Commission
Hearing

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: BTA Oil Producers
Pool Creation Case
NMOCD Case 9878

Case 9088

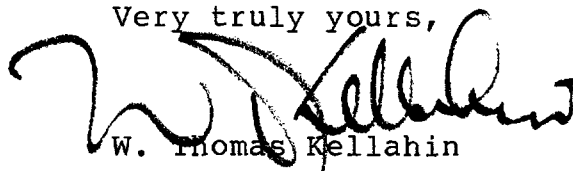
Dear Mr. LeMay:

Our firm represents BTA Oil Producers and presented Case 9878 to Examiner Stogner at the March 4, 1987 hearing. It has now been 72 days since the hearing and we have not yet received an order.

This case involves a proposed new wolfcamp retrograde condensate reservoir to be spaced on 160 acres and BTA is anxious to have a determination of this matter so that they will know the spacing for future development.

Should Mr Stogner not be able to resolve this matter, we would appreciate you setting this for hearing at the next available Commission hearing so that we may have a resolution as soon as possible.

Very truly yours,


W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Steve Salmon
BTA Oil Producers, Inc.
104 South Pecos
Midland, Texas 79701

William F. Carr, Esq.
Campbell & Black
P. O. Box 2208
Santa Fe, New Mexico 87504



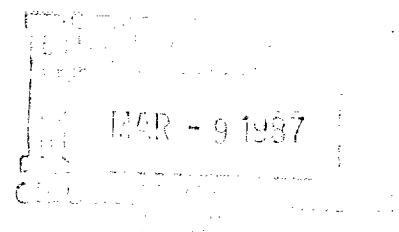
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

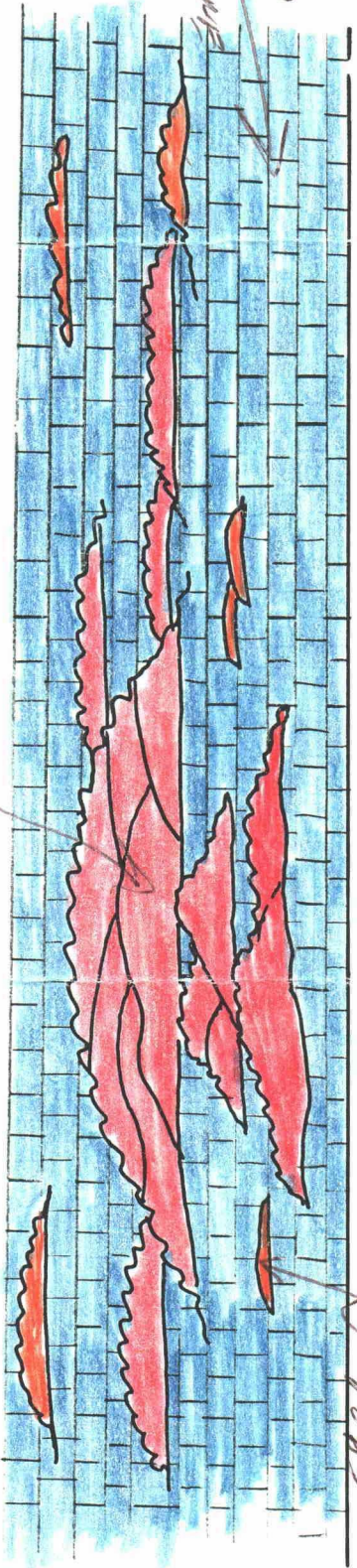
POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

MEMORANDUM TO: Mike Stogner
FROM: Paul Kautz *PK*
DATE: March 5, 1987
SUBJECT: Case No. 9078

The geologic characteristics of the Wolfcamp reservoirs in the Southeast Lea area consists basically of pods of detrital material derived from either the carbonate bank and/or shelf. The main depositional mechanism is by debris flows. These pods are usually no larger than 1/2 mile. When these pods coalesce with other pods they may form a reservoir which may be 1/2 mile wide by 1 to 3 miles long (see attached drawing). In this environment of deposition it is also possible for isolated pods to exist close to the main reservoir (see attached drawing).



BASIN
LIMESTONE



ISOLATED
DETRITIC CARBONATE
SANDS

COAL-ESSING
DETRITIC CARBONATE SANDS

CAMPBELL & BLACK, P.A.
LAWYERS

RECEIVED

MAR 13 1987

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS

OIL CONSERVATION DIVISION

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

March 13, 1987

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

Re: Case 9078: Application of BTA Oil Producers to
Contract the Horizontal Limits of the West Osudo-
Wolfcamp Pool and the Concomitant Creation of a
New Gas Pool with Special Pool Rules,
Lea County, New Mexico.

Dear Mike:

Pursuant to your request of March 4, I am enclosing a
proposed order for Amoco Production Company denying the applica-
tion of BTA Oil Producers in the above-referenced case.

Very truly yours,



WILLIAM F. CARR

WFC/ab

Enclosure
cc w/encl: Dan Currens
W. Thomas Kellahin

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. 9078
ORDER NO. R-_____

APPLICATION OF BTA OIL PRODUCERS
TO CONTRACT THE HORIZONTAL LIMITS
OF THE WEST OSUDO-WOLFCAMP POOL
AND THE CONCOMITANT CREATION OF
A NEW GAS POOL WITH SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

AMOCO PRODUCTION COMPANY'S
PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 4, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, this _____ day of March, 1987, the Division Director, having considered the testimony, the record, and the recommendation of the Examiner, and being fully advised in the premises,

FINDS:

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

2. The Applicant, BTA Oil Producers, seeks an order contracting the West Osudo-Wolfcamp Pool by the deletion therefrom of the NE/4 of Section 23, Township 20 South, Range 35 East, and the creation of a new gas pool for Wolfcamp production comprising the NE/4 of said Section 23. Applicant also seeks the promulgation of temporary special pool rules for this new gas pool including a provision for 160-acre spacing or proration units.

3. The West Osudo-Wolfcamp Pool was created by Order No. R-7858 entered on April 1, 1985, and currently includes the NE/4 of Section 23 and NW/4 of Section 24, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico, from which the Amoco Production Company Best Gas Com. No. 1 "the Best well" (G, 23, 20S, 35E), the Amoco Production Company Heller Trust Com. No. 1 "the Heller well" (E, 24, 20S, 35E), and BTA Oil Producers Byers, 8605 JV-P No. 1 "the Byers well" (11, 23, 20S, 35E), have produced oil and gas.

4. Amoco Production Company and Ronald J. Byers appeared in opposition to the application.

5. The evidence established that the Byers well is completed in a portion of the Wolfcamp formation which correlates with the completion interval in the Heller well.

6. All wells in the West Osudo-Wolfcamp Pool have a gas-oil ratio of less than 100,000 cubic feet of gas per barrel of oil produced and are, therefore, classified by the Division as oil wells.

7. The gravity of the oil in both the Byers well and the Heller well are in excess of 50°, indicating a volatile, possibly retrograde condensate reservoir.

8. BTA presented evidence that showed that data from the Byers well indicated that the initial reservoir pressure in the reservoir was close to the reservoir's bubble point, but presented no evidence to show that different conditions would be shown by data from the Heller well.

9. The evidence also established that the Wolfcamp reservoir in this area is highly erratic and covers a large area with great variations in porosity and permeability (compare BTA Exhibits 6 and 9: Heller Trust Com. A No. 1 Well and Petro Lewis No. 3 Well).

10. The Heller well and the Byers well are direct offsets, each located 600 feet from the common lease line dividing their respective spacing or proration units.

11. Granting the application of BTA Oil Producers will result in the Byers well being authorized to produce at higher rates than the Heller well.

12. The evidence showed that the Byers well could drain as much as 320 acres.

13. BTA failed to show that the Byers well and the Heller well were in separate reservoirs.

14. The Byers well has greater producing ability than the Heller well.

15. To grant the application of BTA Oil Producers would authorize the Byers well to produce at an excessive rate, thereby draining reserves from the tract dedicated to the Heller well -- reserves that could not be offset by production from the Heller well, thereby impairing correlative rights and causing waste.

16. The application of BTA Oil Producers would impair correlative rights, cause waste and should be denied.

IT IS THEREFORE ORDERED:

1. The application of BTA Oil Producers for an order contracting the West Osudo-Wolfcamp Pool by the deletion therefrom of the NE/4 of Section 23, Township 20 South, Range 35 East, and the creation of a new gas pool for Wolfcamp production comprising the NE/4 of said Section 23 and for the promulgation of temporary special pool rules for this new gas pool including a provision for 160-acre spacing or proration units is hereby denied.

2. 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

S E A L

WILLIAM J. LEMAY, DIRECTOR

THE BYERS COMPANY

1600 UNITED BANK TOWER 400 WEST FIFTEENTH STREET

AUSTIN, TEXAS

78701

OIL, GAS AND MINERAL DIVISION
AREA CODE 512
TELEPHONE 478-6507

RONALD J. BYERS
PRESIDENT

February 20, 1987

Re: New Mexico Oil Conservation Division Case No. 9078
Examiner hearing date: March 4, 1987

Application of BTA Oil Producers for an unorthodox
160 acre new gas pool unit in the Wolfcamp Formation
covering the NE $\frac{1}{4}$ Section 23, 20S, 35E, Lea Co., N.M.

J.A.S.

The Hearing Examiner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

I respectfully request this letter be read into, and made a part of, the official record of the captioned hearing.

My interest in this case is twofold. First, I am a 50% mineral owner under the E $\frac{1}{2}$ of the E $\frac{1}{2}$ of Section 23, 20S, 35E, which encompasses BTA's #1-Byers 40 acre well site. Second, I am a joint working interest owner in the Amoco--Heller Company Trust /A/ well, which is a direct 40 acre offset to the east of BTA's #1-Byers well.

I strongly oppose BTA Oil Producers application for 160 acre production allowable and spacing pattern for the #1-Byers well for the following reasons:

1. 160 acre spacing with its production allowable would result in fast, excessive production and depletion and would not be in the best interest of the #1-Byers well.
2. 160 acre spacing would be self destructive and hasten the wells own demise. The requested spacing pattern is against the basic concepts of prudent conservation.
3. A 160 acre gas unit is unorthodox; it is neither an effective or an efficient spacing pattern for the #1-Byers well.
4. The #1-Byers well and the Heller /A/ well are producing from the same Wolfcamp Formation. 160 acre spacing with its production allowable would be an unfair and unacceptable strain and drain on the Heller /A/ well. The unusual and, in this case, extreme allowable requested for the #1-Byers well will bring about the certain drainage, depletion and untimely death of the Heller /A/ well.

New Mexico Oil Conservation Division
February 20, 1987
Page 2

5. The New Mexico Oil Conservation Division has historically and traditionally set 40 acre spacing units for all wells producing from the Wolfcamp Formation in this immediate area; Re: Amoco's recompleted Best #1 well, located SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 23, now P&A; and Amoco's Best #2 well, located SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 23, now P&A. It is my understanding that the Commission refused a greater spacing pattern on these offset wells even on appeal.

6. It is my hope that you, the Hearing Examiner, together with the Honorable Commissioners, will seriously consider the unique characteristics, not only of the #1-Byers well, but of these current and past surrounding offset wells, and conclude that the #1-Byers well should not be adjudged a gas well, but should be treated as an oil well with equal and similar 40 acre spacing and production allowable.

7. Let us not hastily exhaust our God given resources.

Please be assured that my personal absence today in no way diminishes my deep concern for the favorable outcome of this most important hearing.

Sincerely,

A handwritten signature in black ink, reading "Ronald J. Byers". The signature is written in a cursive, flowing style with a large initial "R".

RONALD J. BYERS

RJB:hw

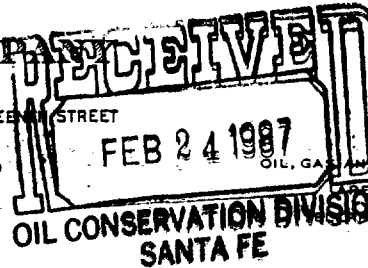
THE BYERS COMPANY

1600 UNITED BANK TOWER 400 WEST FIFTEEN STREET

AUSTIN, TEXAS

78701

RONALD J. BYERS
PRESIDENT



February 20, 1987

Re: New Mexico Oil Conservation Division Case No. 9078
Examiner hearing date: March 4, 1987

Application of BTA Oil Producers for an unorthodox
160 acre new gas pool unit in the Wolfcamp Formation
covering the NE $\frac{1}{4}$ Section 23, 20S, 35E, Lea Co., N.M.

The Hearing Examiner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

DUPLICATE ORIGINAL

DUPLICATE

Gentlemen:

I respectfully request this letter be read into, and made a part of, the official record of the captioned hearing.

My interest in this case is twofold. First, I am a 50% mineral owner under the E $\frac{1}{2}$ of the E $\frac{1}{2}$ of Section 23, 20S, 35E, which encompasses BTA's #1-Byers 40 acre well site. Second, I am a joint working interest owner in the Amoco--Heller Company Trust /A/ well, which is a direct 40 acre offset to the east of BTA's #1-Byers well.

I strongly oppose BTA Oil Producers application for 160 acre production allowable and spacing pattern for the #1-Byers well for the following reasons:

1. 160 acre spacing with its production allowable would result in fast, excessive production and depletion and would not be in the best interest of the #1-Byers well.
2. 160 acre spacing would be self destructive and hasten the wells own demise. The requested spacing pattern is against the basic concepts of prudent conservation.
3. A 160 acre gas unit is unorthodox; it is neither an effective or an efficient spacing pattern for the #1-Byers well.
4. The #1-Byers well and the Heller /A/ well are producing from the same Wolfcamp Formation. 160 acre spacing with its production allowable would be an unfair and unacceptable strain and drain on the Heller /A/ well. The unusual and, in this case, extreme allowable requested for the #1-Byers well will bring about the certain drainage, depletion and untimely death of the Heller /A/ well.

New Mexico Oil Conservation Division
February 20, 1987
Page 2

5. The New Mexico Oil Conservation Division has historically and traditionally set 40 acre spacing units for all wells producing from the Wolfcamp Formation in this immediate area; Re: Amoco's recompleted Best #1 well, located SW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 23, now P&A; and Amoco's Best #2 well, located SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 23, now P&A. It is my understanding that the Commission refused a greater spacing pattern on these offset wells even on appeal.

6. It is my hope that you, the Hearing Examiner, together with the Honorable Commissioners, will seriously consider the unique characteristics, not only of the #1-Byers well, but of these current and past surrounding offset wells, and conclude that the #1-Byers well should not be adjudged a gas well, but should be treated as an oil well with equal and similar 40 acre spacing and production allowable.

7. Let us not hastily exhaust our God given resources.

Please be assured that my personal absence today in no way diminishes my deep concern for the favorable outcome of this most important hearing.

Sincerely,



RONALD J. BYERS

RJB:hw

DUPLICATE

DUPLICATE ORIGINAL

P-509 896 677

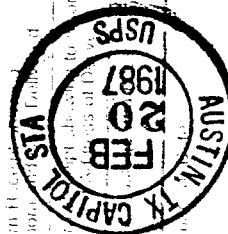
RECEIPT FOR CERTIFIED MAIL

to be returned to the sender
with the return receipt

(See Back)

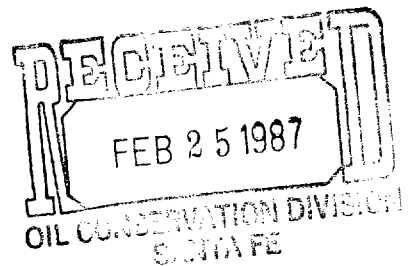
N.M. Oil Conservation Division
Attention: Case No. 9078
Post Office Box 2088
Santa Fe, New Mexico 87504

Package	22
Certified Fee	75
Special Delivery Fee	
Registered Delivery Fee	
Return to sender	70
Return to addressee	
Date	1/67
Postage	



PS Form 3800, June 1985

ALTON C. WHITE, JR.
INVESTMENTS
1506 WESTOVER ROAD
AUSTIN, TEXAS
78703



February 23, 1987

AREA CODE 512
TELEPHONE 472-3939

Re: New Mexico Oil Conservation Division Case No. 9078
Examiner hearing date: Wednesday, March 4, 1987

M.S.

Application of BTA Oil Producers for 160 spacing in
the West Osudo-Wolfcamp Pool, with other temporary
and permanent special requests, covering the
NE $\frac{1}{4}$ Section 23, 20S, 35E, Lea County, New Mexico

The Hearing Examiner
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

I request this letter be read into the record of the above styled case.

I am a joint working interest owner in the AMOCO--Heller Company Trust /A/
well, which is a direct 40 acre offset to the east from BTA's 1-Byers well.
Both of these wells are completed in, and produce from, the same pool and
formation.

The spacing allowable for the production of oil and gas for the Heller /A/
well is 40 acres. This is, and has been, the same spacing allowed for all
wells producing from the Wolfcamp Formation in this immediate area.

BTA's request for a 160 acre spacing pattern and other special treatment
for the 1-Byers well would be extremely detrimental, unfair and damaging
to the Heller /A/ well.

I oppose BTA's application because it is totally unorthodox, without merit
and without regard to the effective and efficient production and mineral
conservation of the 1-Byers well.

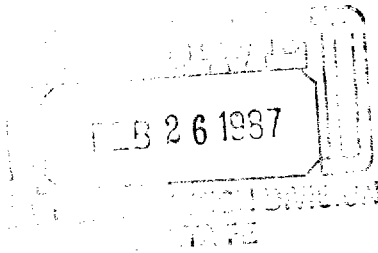
The similar characteristics of the 1-Byers well with other wells in this
immediate area should be considered. The 1-Byers well should be classified
and treated as an oil well with its normal and proper 40 acre spacing.

Please deny BTA's entire application in this case.

Respectfully,

Alton C. White, Jr.

ALTON C. WHITE, JR.



JAMES W. NIXON, M. D.
JAMES W. NIXON, JR., M. D.
1121 NIX PROFESSIONAL BLDG.
SAN ANTONIO, TEXAS 78205

February 23, 1987

M.S.

Re: New Mexico Oil Conservation Division Case No. 9078
Examiner hearing date: March 4, 1987

Application of BTA Oil Producers for 160 acre gas
pool unit in the Wolfcamp Formation covering the
NE $\frac{1}{4}$ Section 23, 20S, 35E, Lea County, New Mexico

The Hearing Examiner
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

I respectfully request this letter to be read into the official record of this case.

I represent the Nixon Family who owns a 50% mineral interest under the E $\frac{1}{2}$ of the E $\frac{1}{2}$ of Section 23, 20S, 35E, Lea County, New Mexico. The BTA--#1 Byers well is located on a 40 acre well site on this tract.

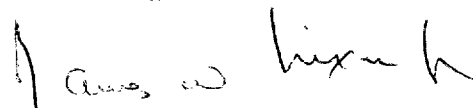
We oppose BTA Oil Producers application for 160 acre spacing pattern and production allowable for the #1-Byers well.

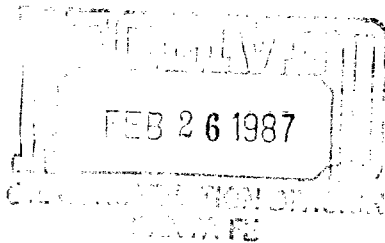
A 160 acre gas pool unit would not be an effective nor efficient spacing pattern, but would be detrimental, result in excessive depletion and not be in the best interest of the #1-Byers well.

We have read Mr. Ronald J. Byers' letter of February 20, 1987, addressed to the New Mexico Oil Conservation Division regarding this matter, and we fully agree and concur with his position in opposing this application.

It is our sincere desire that the #1-Byers well will be treated as an oil well with 40 acre spacing.

Yours truly,


James W. Nixon, Jr., M. D.



RUBEN H. JOHNSON

POST OFFICE BOX 1237

AUSTIN, TEXAS 78767

February 24, 1987

The Hearing Examiner
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: New Mexico Oil Conservation Division Case No. 9078
Examiner Hearing Date: Wednesday, March 4, 1987

Application of BTA Oil Producers for 160 acre spacing in the West Osudo-Wolfcamp Pool, with other temporary and permanent special requests, covering the NE $\frac{1}{4}$ Section 23, 20S, 35E, Lea County, New Mexico.

Gentlemen:

I request this letter be read into the record of the above styled case.

I am a working interest owner in the AMOCO--Heller Company Trust /A/ well, a direct offset to BTA Oil Producers' 1-Byers well. These wells are both completed in the Wolfcamp Formation.

BTA's application for 160 acre pooling and special proration allowable for the 1-Byers well would pose a serious drainage threat to the Heller /A/ well with its 40 acre spacing.

The primary objective for this requested 160 acre spacing pattern for the 1-Byers well is unjust and unfair to the Heller /A/ well. BTA's request is neither an efficient nor effective spacing pattern, nor is it in the best interest of the 1-Byers well.

Policies should promote and encourage exploration and production tempered with sensible, fair and just conservation.

BTA's application in this case should be denied. The 1-Byers well should be determined and treated as an oil well with an equal 40 acre proration allowable and spacing.

Respectfully,

Ruben H. Johnson

RHJ:ps

Adolph A. Kremel, Jr.

5601 Palisade Court
Austin, Texas 78731

M. S.

February 23, 1987

Re: New Mexico Oil Conservation Division Case No. 9078

Examiner hearing date: Wednesday, March 4, 1987

Application of BTA Oil Producers for 160 spacing in
the West Osudo-Wolfcamp Pool, with other temporary
and permanent special requests, covering the
NE $\frac{1}{4}$ Section 23, 20S, 35E, Lea County, New Mexico

The Hearing Examiner
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87504

Gentlemen:

I request this letter be read into the record of the above styled
case.

As a working interest owner in the AMOCO--Heller Company Trust /A/
well, I oppose BTA's application for 160 acre spacing on their
Byers #1 well. These wells are direct offsets to each other, pro-
ducing from the same formation, and they should be treated as "oil"
wells with 40 acre spacing.

I believe grave damage could result to the Heller Company Trust /A/
well if an allowable for 160 acre spacing were granted to the Byers
#1 well.

BTA's 160 acre allowable and spacing request is not an effective or
an efficient spacing pattern for their well.

BTA's application should be denied and the Byers #1 well should be
limited to 40 acre spacing.

Yours very truly,



Adolph A. Kremel

AAK:jj



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

December 11, 1989

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

BTA Oil Producers
104 S. Pecos
Midland, Texas 79701

Gentlemen:

In accordance with the provisions of Division Order NO. R-8450-A entered on December 16, 1988, the Oil Conservation Division is reopening Case No. 9078 in order to allow BTA the opportunity to present evidence as to the exact nature of the reservoir and, more particularly, as to the proper rate of withdrawal from the Southwest Osudo-Wolfcamp Gas Pool in Lea County, New Mexico, if it is indeed determined to be a retrograde gas condensate reservoir.

This case was scheduled for hearing before an examiner on December 27, 1989, in the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, at 8:15 a.m. However, Thomas Kellahin has advised us that you wish this case to be continued to the January 10, 1990 examiner hearing and it will be so continued. A copy of the advertisement for the hearing is enclosed.

Sincerely,

Florene Davidson

Florene Davidson
OC Staff Specialist

enc.

OIL CONSERVATION DIVISION
RECEIVED

KELLAHIN, KELLAHIN and AUBREY
Attorneys at Law

W. Thomas Kellahin
Karen Aubrey

89 DEC 8 PM 9 16

El Patio - 117 North Guadalupe
Post Office Box 2265

Telephone 982-4285
Area Code 505

Jason Kellahin
Of Counsel

Santa Fé, New Mexico 87504-2265

Fax: 505/982-2047

December 6, 1989

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Southwest Osudo-Wolfcamp Pool,
Lea County, New Mexico
NMOCD Case 9078 (Re-opened)

Dear Mr. LeMay:

Our firm represents BTA Oil Producers which is the applicant in the original hearings of the referenced case. I have been informed by the Division that a hearing has been set for December 27, 1989, at which time BTA is to appear and present evidence as to the exact nature of the reservoir.

Mr. Steve Salmon is the expert reservoir engineer for BTA who will be my witness in this matter. Unfortunately, he is not available to appear at the December 27th hearing. Accordingly, we would appreciate this matter being continued until an Examiner's hearing in January, 1990.

In addition, this letter serves as our entry of appearance on behalf of BTA Oil Producers in the reopening of this case as now advertised for hearing on December 27, 1989.

Very truly yours,


W. Thomas Kellahin

WTK/tic

xc: Steve Salmon
BTA Oil Producers
104 South Pecos
Midland, Texas 79701

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9073
ORDER NO. R-8450-A

Applicant:

OCD (BTA Oil Producers)

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

Florence Davidson

FLORENE DAVIDSON
OC Staff Specialist

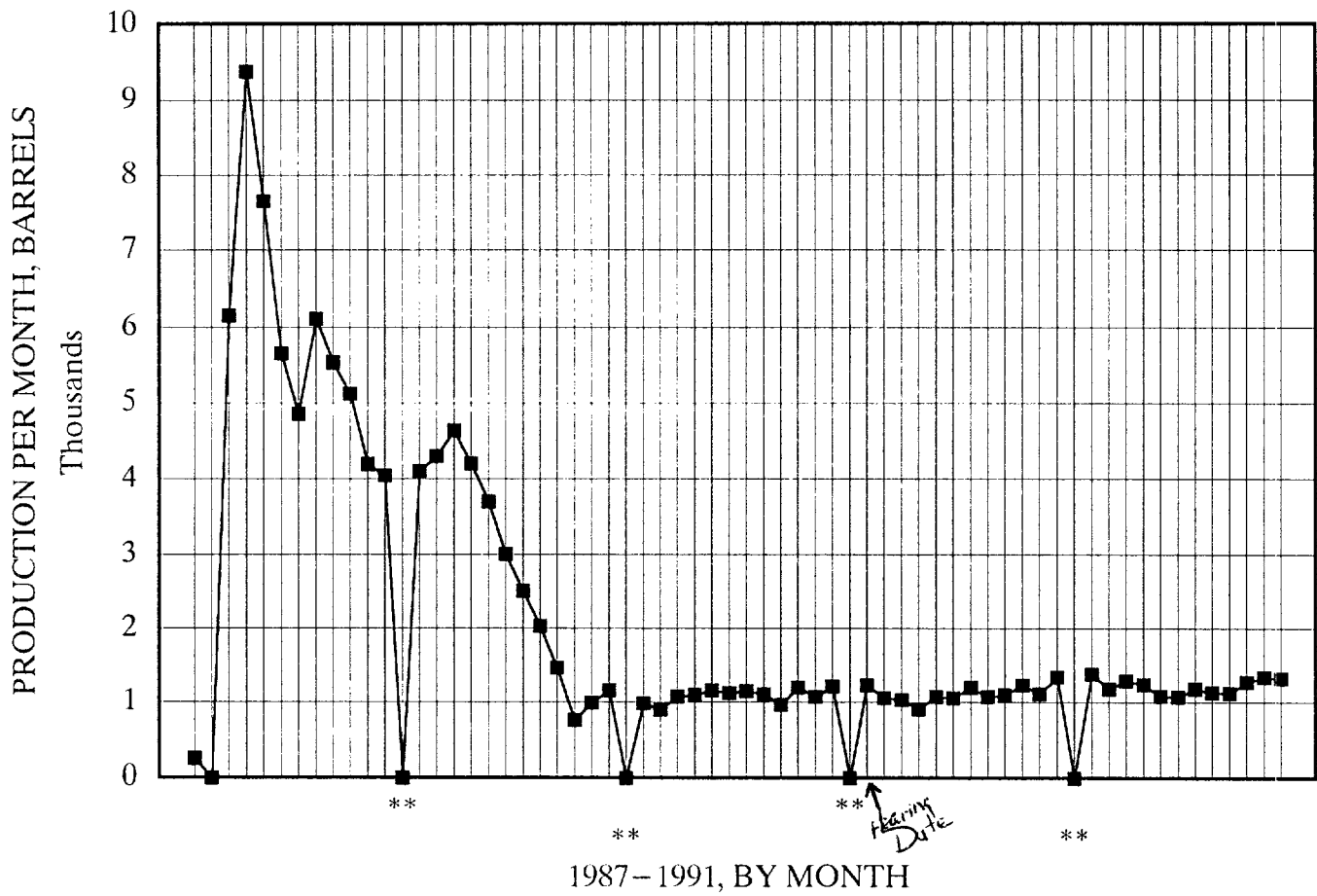
Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other _____

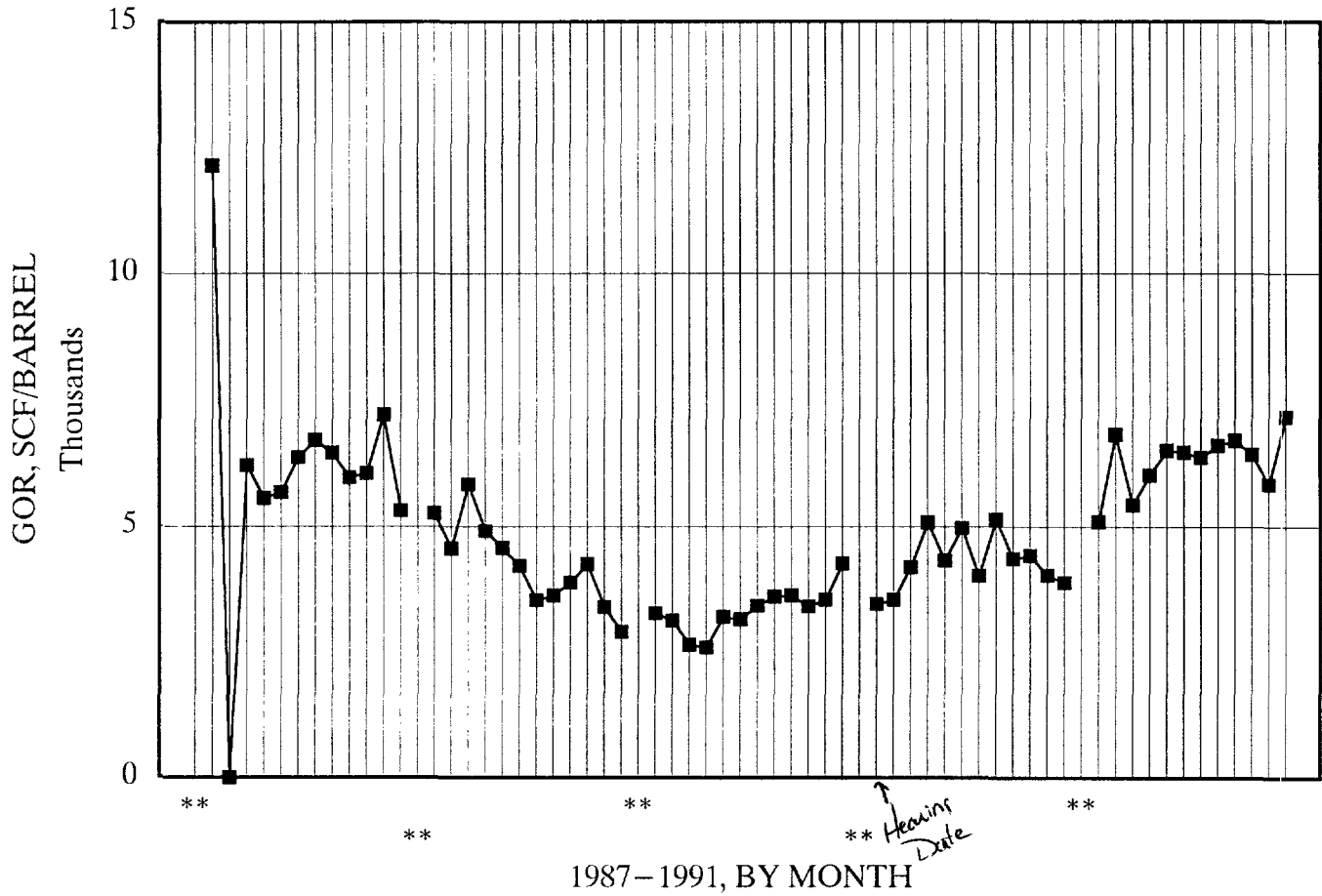
CUMMULATIVE OIL PRODUCTION

BYERS 8605 JV-P NO. 1



CUMMULATIVE GAS-OIL RATIO

BYERS 8605 JV-P NO. 1



CUMMULATIVE PRODUCTION

BYERS 8605 JV-P NO. 1

