

CASE No.

5066

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

239 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87102

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
September 19, 1973

EXAMINER HEARING

IN THE MATTER OF:)	
)	Case No. 5066
The Application of Burleson &)	
Huff for a non-standard gas)	
proration unit and compulsory)	
pooling, Lea County, New Mexico)	
)	
)	

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

dearnley, meier & associates

206 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
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1 MR. UTZ: Case 5066.

2 MR. DERRYBERRY: Application of Burleson & Huff for
3 a non-standard gas proration unit and compulsory pooling,
4 Lea County, New Mexico.

5 MR. KELLAHIN: Jason Kellahin appearing for the
6 applicant. We have one witness I'd like to have sworn.

7 LEWIS BURLESON,
8 a witness, having been first duly sworn according
9 to law, upon his oath testified as follows:

10 DIRECT EXAMINATION

11 BY MR. KELLAHIN:

12 Q Would you state your name, please?

13 A Lewis Burleson.

14 Q By whom are you employed and in what position?

15 A I'm a partner in Burleson & Huff.

16 Q Have you testified before the Oil Conservation Commission
17 and made your qualifications a matter of record?

18 A Yes, I have.

19 Q Mr. Burleson, are you familiar with the Application in
20 Case 5066?

21 A Yes, I am.

22 Q What is proposed by the applicant in this case?

23 A One, to get approval of a 160-gas unit in the Jalmat Pool
24 in a non-standard to the standard 640 acres to the
25 gas pool with a penalty to the John A. Lanchart

1 interest consisting of a one-ninety-sixth interest
2 in the northeast quarter of Section 29, Township 25 South,
3 Range 37 East, Lea County, New Mexico.

4 Q Now, actually in the Jalmat Gas Pool there are numerous
5 non-standard units; are there not?

6 A Yes, there are.

7 Q Now, referring to what has been marked as Applicant's
8 Exhibit No. 1, would you identify that exhibit, please?

9 A This exhibit is a plat showing the 160 acres in question,
10 being the northeast quarter of Section 29, Township 25
11 South, Range 37 East, Lea County, New Mexico. Colored
12 in yellow, with the offsetting gas units colored in red
13 according to this unit.

14 Q Now, there are other Jalmat gas units adjacent to this
15 proposed non-standard unit; are there not?

16 A Yes, sir. We own the south 80-acre non-standard unit
17 to the south of this proposed 160-unit.

18 Q Actually, the Commission normally grants approval of
19 non-standard gas proration units in the Jalmat Pool
20 by administrative procedure; does it not?

21 A Yes, sir.

22 Q This hearing was brought primarily then for the purpose
23 of compulsory pooling?

24 A That's correct.

25 Q What interest are you required to pool?

1 A We wish to force pool the John A. Lanehart interest
2 who live in Barstow, Texas or Fort Stockton, Texas and
3 he has a one hundred forty-eighth mineral interest under
4 the north half of the northeast quarter of Section 29.
5 By granting a 160-acre unit which would mean that he
6 would own and we would like to force pool the one-
7 ninety-sixth interest since his mineral interest would
8 be under that 160-acre unit.

9 Q Now, what effort have you made to obtain voluntary
10 agreement with Mr. Lanehart?

11 A Although they are not exhibits, we have written Mr.
12 Lanehart numerous letters which he has received because
13 we have the post receipt coming back which we offered
14 to lease him at the same kind of lease that all the other
15 Lanehart interests signed under. We offered for him to
16 join us in the drilling of this well and we offered to
17 then purchase his mineral interest for \$100 an acre for
18 his 1.6 acres, and he has not answered any of these
19 letters. We have had trouble with Mr. John Lanehart
20 before on our other gas units being the one in Section 21.

21 Q You've had trouble. What kind of trouble?

22 A That we have not been able to get him to either lease or
23 join us in operations.

24 Q He just doesn't answer your letters; is that the situation?

25 A That's correct.

- 1 Q Are you willing to take him in on the same basis you
2 have the others at this time?
- 3 A Yes, we are.
- 4 Q Now, in referring to what has been marked as Exhibit
5 No. 2, would you identify that exhibit?
- 6 A This is a copy of the well completion record for the
7 Burleson-Huff Pool Number 1, completed in the Jalmat-
8 Gates sand, from perforations 2564, for a well 43 mcf. a
9 day.
- 10 Q That well has been drilled completely?
- 11 A Yes, it has.
- 12 Q Now, refer to what has been marked as Exhibit No. 3. Would
13 you identify that exhibit, please?
- 14 A Exhibit No. 3 is the well costs that were incurred in
15 the drilling of this well.
- 16 Q Are these the actual well costs?
- 17 A Yes, they are.
- 18 Q And that's all of the costs for the drilling and completion
19 of the well; is that correct?
- 20 A Now, this well is a re-entry of a well that was on that
21 lease previous and a total cost would be \$15,559.13.
- 22 Q And now, are you asking for any charge for supervision
23 of the well?
- 24 A We will not ask because his interest is so small that
25 it really would not matter.

1 Q How about a risk factor?

2 A Well, at a risk factor.

3 Q What would be a reasonable risk factor in your opinion?

4 A 150 percent risk factor.

5 Q 150 percent. You do not want to allocate the costs of
6 operation of the well to the non-consenting owner along
7 with the others; is that correct?

8 A Right. We have drilling overhead at a rate of \$400 a
9 month and it took approximately one month to do this.
10 These charges are set out in the operating agreement
11 between Burleson & Huff and Atlantic Richfield who owns
12 one-eighth of this well. We would like to go under this
13 same operating agreement in the force pooling with Mr.
14 Lanehart.

15 Q So the only thing you're asking for then is your cost
16 of supervision on the drilling; is that correct?

17 A That is correct.

18 Q And not for the subsequent supervision of the well?

19 A No, sir.

20 Q No overhead?

21 A No.

22 Q And then you are asking for a risk factor of 150 percent?

23 A That's correct.

24 Q Were Exhibits 1, 2 and 3 prepared by you or with your
25 supervision?

1 A Yes, they were.

2 MR. KELLAHIN: At this time I'd like to offer into
3 evidence Exhibits 1, 2 and 3.

4 MR. UTZ: Without objection, Exhibits 1, 2 and 3
5 will be entered into the record of this case.

6 MR. KELLAHIN: That is all I have.

7 CROSS-EXAMINATION

8 BY MR. UTZ:

9 Q Let me get this right, Mr. Burleson. You're asking for
10 150 percent risk factor?

11 A Yes, sir.

12 Q 100 percent plus 50?

13 A Yes, sir.

14 Q You're not asking for \$100 overhead?

15 A Yes, I am, but this as you notice in there, there isn't
16 a supervision in the intangible list.

17 Q How about operating costs?

18 A Well, under there will be an operating cost, under the
19 operating agreement of \$50 a month; add a pumper charge of
20 whatever we have to pay.

21 Q Well, you want operating costs. What operating costs are
22 you going to have?

23 A I'm with you. We'd like operating costs of \$50 a month,
24 overhead rate, and a pumper at the rate of \$25 a month.

25 Q \$75 a month operating costs then?

1 A Yes, sir.

2 Q Of which one-ninety-sixth would be charged to him?

3 A Right.

4 Q I think he can afford that.

5 MR. UTZ: Other questions of the witness?

6 (No response.)

7 MR. UTZ: You may be excused. Statements in the
8 case?

9 (No response.)

10 MR. UTZ: The case will be taken under advisement.

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dearnley, meier & associates

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

4 I, CLAUDIA FAHRENTHOLD, a court reporter in and for
5 the County of Bernalillo, State of New Mexico, do hereby
6 certify that the foregoing and attached Transcript of
7 Hearing before the New Mexico Oil Conservation Commission
8 was reported by me; and that the same is a true and correct
9 record of the said proceedings to the best of my knowledge,
10 skill and ability.

11 *Claudia Fahrenthold*
12 COURT REPORTER
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiners hearing of Case No. 5-866,
heard by me on *August 14, 1973*.
[Signature], Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 7, 1974

Mr. John A. Lanehart
P.O. Box 314
Barstow, Texas 79719

Dear Sir:

In reply to your letter of February 4, 1974, concerning the Burleson and Huff Well in the NE/4 of Section 29, Township 25 South, Range 37 East, Lea County, New Mexico.

According to the information we have on this well, Burleson and Huff re-entered the old Texas Pacific Coll A No. 1 and recompleted it as a very small gas well in July, 1973. A pipe line connection was obtained in November, with first production reported being in December, when El Paso Natural reported taking only 33 MCF of gas. We have not as yet received the January production reports.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/jr



OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

October 15, 1973

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5066
ORDER NO. R-4641
Applicant:
Burleson & Huff

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC

Other John A. Lanehart and Mrs. Veola B. Lanehart

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:

CASE NO. 5066
Order No. R-4641

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 19, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11th day of October, 1973, 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 approval of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NE/4 of Section 29, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to applicant's Coll Well No. 1-A, located 1980 feet from the North line and 1980 feet from the East line of said Section 29.
- (3) That applicant further seeks an order pooling all mineral interests from the surface of the ground down to and including the Yates Sand formation underlying the aforementioned unit.
- (4) That applicant has the right to recomplete and has recompleted its Coll Well No. 1-A for the production of gas from the Yates Sand formation in the Jalmat Gas Pool.
- (5) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.
- (6) That approval of the non-standard proration unit will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

(7) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and equitable 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.

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

(9) That any non-consenting interest owner should have withheld from production his share of the reasonable costs of recompleting the well.

(10) That actual costs, \$15,559.13, should be adopted as the reasonable cost of recompletion of the well.

(11) That \$75.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates); 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 should be 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.

(12) That all proceeds from production from the subject wells 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 a 160-acre non-standard gas proration unit in the Jalmat gas pool comprising the NE/4 of Section 29, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Burleson and Huff Coll Well No. 1-A, located 1980 feet from the North line and 1980 feet from the East line of said Section 29.

(2) That all mineral interests, whatever they may be, from the surface of the ground down to and including the Yates Sand formation underlying the NE/4 of Section 29, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby pooled to form a non-standard 160-acre gas prorationing unit.

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

-3-

Case No. 5066

Ord. No. R-4841

(4) That the actual and reasonable well costs are hereby determined to be \$15,559.13.

(5) That the operator is hereby authorized to withhold from production the pro rata share of reasonable well costs attributable to each non-consenting working interest owner.

(6) That \$75.00 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates); 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 such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(7) 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.

(8) That any well cost 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.

(9) 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 of the date of this order.

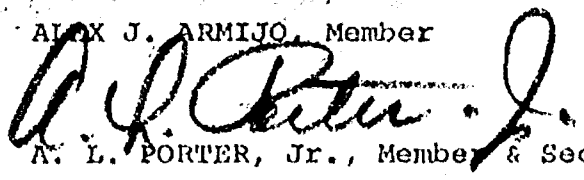
(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

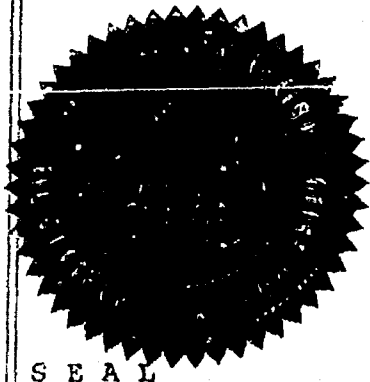
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMIJO, Member


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


S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1973

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

The following cases will be heard before Elvis A. Utz, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 4745: (Reopened) (Continued from the August 22, 1973, Examiner Hearing)

In the matter of Case No. 4745 being reopened pursuant to the provisions of Order No. R-4365, which order established special rules and regulations for the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, including a provision for classification of oil wells and gas wells, the spacing thereof, and a limiting gas-oil ratio of 3000 to 1. All interested parties may appear and show cause why said pool rules should remain in effect.

CASE 5047: (Continued and Readvertised)

Application of Chace Oil Company for the amendment of Order No. R-4555, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the South Lindrith Gallup-Dakota Pool, Rio Arriba County, New Mexico, as promulgated by Order No. R-4555, to provide for the classification of oil wells and gas wells, the assignment of 320-acre units to gas wells, and to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion.

CASE 5063: Application of Shell Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Sanger Well No. 6Y to be located 1220 feet from the North line and 180 feet from the West line of Section 27, Township 18 South, Range 38 East, Hobbs Pool, Lea County, New Mexico.

CASE 5064: Application of Exxon Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Carlsbad 2 Gas Com. Well No. 1 located in Unit J of Section 27, Township 23 South, Range 26 East, Eddy County, New Mexico, to produce gas from the South Carlsbad-Strawn and South Carlsbad-Morrow Gas Pools through the casing-tubing annulus and tubing, respectively.

CASE 5065: Application of Roberts, Koch & Cartwright for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Deer Canyon Unit Area comprising 10,620 acres, more or less, of Federal and State lands in Township 20 South, Range 21 East, Eddy County, New Mexico.

CASE 5057: (Continued and readvertised)

Application of Coquina Oil Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a proposed gas well at an unorthodox location 330 feet from the South and East lines of Section 12, Township 18 South, Range 25 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of Section 12 to be dedicated to the well. In the alternative, applicant seeks approval of an unorthodox location 660 feet from the South and East lines of said Section 12.

CASE 5066: Application of Burleson & Huff for a non-standard gas proration unit and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NE/4 of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Coll Well No. 1-A located in Unit G of said Section 29.

Applicant further seeks an order of the Commission pooling all mineral interests in the Jalmat Gas Pool underlying the aforesaid quarter section. Also to be considered will be the cost of recompleting said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in recompleting said well.

CASE 5067: Application of American Quasar Petroleum Co. of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Dune Unit Area comprising 2,576 acres, more or less, of Federal and Fee lands in Township 23 South, Range 31 East, and Township 24 South, Ranges 30 and 31 East, Lea County, New Mexico.

CASE 5068: Southeastern nomenclature case calling for the creation and extension of the vertical and horizontal limits of certain pools in Lea County, New Mexico:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Townsend-Strawn Pool, with special vertical limits defined as being the Strawn formation from 11,325 feet to 11,535 feet as on the log of the discovery well, the Ralph E. & J. C. Williamson Harrod State No. 1 in Unit U of Section 4, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

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

(b) Extend the vertical limits of the Tubb Gas Pool in Lea County, New Mexico, as established by Rule 25 of the Special Rules for said pool as promulgated by Order No. R-1670, downward to include the entire interval from 100 feet above the Tubb marker to the top of the

(Case 5068 continued from Page 2)

Drinkard formation, in order to eliminate the zone of no-nomenclature which exists between the Tubb and Drinkard Pools.

(c) Extend the Bell Lake-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: NW/4

(d) Extend the Querecho Plains-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4
Section 26: W/2

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

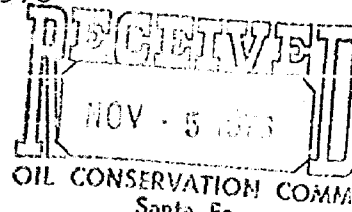
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 24: NE/4

LEWIS B. BURLESON

JACK HUFF

BURLESON & HUFF

OIL PROPERTIES
BOX 935 - PHONE 683.4747
MIDLAND, TEXAS 79701
November 2, 1973



New Mexico Oil Conservation Comm.
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 5066, Order No. R-4641
Burleson & Huff Coll Lease,
NE/4 of Section 29, T-25-S,
R-37-E, Lea County, New Mexico

Gentlemen:

Pursuant to the above Order, we hereby advise that The First National Bank of Hobbs, New Mexico is escrow agent for proceeds from production from our No. 1-A Coll Well which are not disbursed.

Yours very truly,

BURLESON & HUFF


Jack Huff

JH/sw

DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

Form C-105
Revised 1-1-65

5a. Indicate Type of Lease
State ☐ Fee ☒
5. State Oil & Gas Lease No.

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>						7. Unit Agreement Name	
b. TYPE OF COMPLETION NEW WELL <input type="checkbox"/> WORK OVER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>						8. Farm or Lease Name Coll	
2. Name of Operator Burleson & Huff						9. Well No. A-1	
3. Address of Operator P. O. Box 935, Midland, Texas 79701						10. Field and Pool, or Wildcat Jalmat	
4. Location of Well UNIT LETTER G LOCATED 1980 FEET FROM THE north LINE AND 1980 FEET FROM THE east LINE OF SEC. 29 TWP. 25 RGE. 37 NMPM						12. County Lea	
15. Date Spudded 7-9-73	16. Date T.D. Reached 7-13-73	17. Date Compl. (Ready to Prod.) 7-30-73	18. Elevations (DF, RKB, RT, GR, etc.) GR 3020	19. Elev. Casinghead 3020			
20. Total Depth 3075	21. Plug Back T.D. 3075	22. If Multiple Compl., How Many	23. Intervals Drilled By Rotary Tools	Cable Tools			
24. Producing Interval(s), of this completion - Top, Bottom, Name Yates Sand from 2558-2564						25. Was Directional Survey Made	
26. Type Electric and Other Logs Run See log run by R. Olsen on this well						27. Was Well Cored	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE 10-3/4	WEIGHT LB./FT. 32	DEPTH SET 273	HOLE SIZE 13-3/4	CEMENTING RECORD 200		AMOUNT PULLED circ.	
7	20	3110	8-5/8	300 @ shoe, 300 at D-V Tool		1057	
29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2	2554	2555
31. Perforation Record (Interval, size and number) 2558-2564 1 per foot				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
				DEPTH INTERVAL			
				2558-2564			
				AMOUNT AND KIND MATERIAL USED			
				1000 gal. acid			
				2558-2564 5000 gal water - 7000 gal			
				sand			
33. PRODUCTION							
Date First Production 7-25-73		Production Method (Flowing, gas lift, pumping - Size and type pump) flowing				Well Status (Prod. or Shut-in) S. I.	
Date of Test 7-30-73	Hours Tested 4	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF 28	Water - Bbl.	Gas - Oil Ratio
Flow Tubing Press. 125.2#	Casing Pressure 125.2	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF 43	Water - Bbl.	Oil Gravity - API (Corr.)	
34. Disposition of Gas (Sold, used for fuel, vented, etc.) Will sell to El Paso Natural Gas Co.						Test Witnessed By T. R. Kiker	
35. List of Attachments Report on test from El Paso Natural Gas Co.							
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.							
SIGNED		TITLE Partner			DATE 8-1-73		

LEWIS B. BURLESON

JACK HUFF

BURLESON & HUFF

OIL PROPERTIES

BOX 935 - PHONE 683-4747

MIDLAND, TEXAS 79701

September 17, 1973

WELL COSTS

Burleson & Huff Coll No. A-1, located
1980 feet from the North and East lines
of Section 29, Township 25 South, Range
37 East, Lea County, New Mexico

TANGIBLES

Hobbs Pipe & Supply Co., #17176 & 17168, tubing & adapter	\$ 1853.33
Turner Bit Service, Inc., # 9138, Bit	170.27
Winkler County Pump & Supply, # 30467, misc. fittings	20.72
Burleson & Huff, used packer, well head, choke & valves	<u>585.00</u>
Total	\$2629.32

INTANGIBLES

Schlumberger, # 4-11721, 2 logs	\$ 1577.58
Well Analysis Co., #55-1262, Perf. & bridge plug	676.00
I. S. & S., Inc., #J-07096, thread dope	10.38
XL Transportation Co., #21868, 21972, water	137.86
Apache Services, # 52, Perf. & bridge plug	575.00
Williams Roustabout Serv., #552, 526, Supervision	602.50
Jackson Rental & Sales, #7-298, Rental Bailer	93.60
Two-State Tank Rental Co., # 735, Tank Rental	109.20
Dowell, #05-06-2686, 05-06-2697, 05-06-2692, acidize	2133.93
Dowell, #05-06-2709, fracturing	1878.93
Land & Marine Rental Co., #07-0951-drill out	1125.52
Canal Well Service, Inc., # 4972, swab	159.30
Canal Well Service, Inc., # 4903, 4902, pulling unit	<u>3450.01</u>
Total	\$12529.81

OPERATIONS

Drilling well overhead rate - one month	\$ <u>400.00</u>
	\$15559.13

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF BURLESON & HUFF FOR APPROVAL
OF A NON-STANDARD PRORATION UNIT
AND FOR COMPULSORY POOLING, JALMAT
GAS POOL, LEA COUNTY, NEW MEXICO

Case 5066

A P P L I C A T I O N

COMES NOW Burleson & Huff and applies to the Oil Conservation Commission of New Mexico for an order approving a non-standard gas proration unit and for compulsory pooling in the Jalmat Gas Pool, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant has re-entered its Burleson & Huff, Coll No. 1-A well, located 1980 feet from the North line, and 1980 feet from the East line of Section 29, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the production of gas from the Jalmat Gas Pool.
2. Normal spacing in the Jalmat Gas Pool is 640 acres, but non-standard units are common, and standard units are rare in this pool.
3. Applicant is the owner of the right to drill and develop the NE/4 of said Section 29, and proposes to dedicate said quarter section to its Coll No. 1-A well.
4. Applicant holds the working interest from all of the mineral owners underlying the NE/4 of said Section 29 or has obtained the participation of all owners, with the exception of two owners, whose ownership totals a 1/48th interest, and applicant has been unable to obtain leases covering this interest

(over)

see next page

COMMISSION

9-7-73

or participation in the well costs, despite diligent efforts on its part.

5. According to the best of applicant's information and belief the following persons each own an undivided 1/48th mineral interest underlying the N/2 NE/4 of Section 29, Township 25 South, Range 37 East:

John A. Lanehart
P. O. Box 314
Barstow, Texas 79719

Mrs. Veola B. Lanehart
c/o Fred L. Green
Route 1, Box 17
DeLeon, Texas 75444

DOCKET MARKED
9-7-73
[X] 10

WHEREFORE applicant prays that this matter be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order approving the proposed non-standard unit, and pooling the non-standard proration unit as requested, together with a provision for recovering its costs of re-completing and equipping said well, and for operation costs and costs of supervision in the amount of \$75.00 per month, together with provision for recovering a reasonable risk factor for the risks of re-completing and placing said well on production, all as provided by law, and for such other and further relief as may be proper.

Respectfully submitted,

BURLESON & HUFF

BY Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

	20		21
Bettis, Boyle & Stovall	L. B. Lane- hart, et al	Burleson & Huff	Burleson & Huff
Bettis, Boyle & Stovall	1980 Burleson + Huff Cell No. 1-A 1980	Burleson & Huff	
29		28	
Texas Pacific Oil Company	Burleson & Huff	Atlantic Richfield Company	

TOWNSHIP 25 SOUTH, RANGE 37 EAST

LEA COUNTY, NEW MEXICO

Corr 5066

Scale: 3 inches = 1 mile

Attention: _____

Administrative Order NSP- _____

Gentlemen:

Reference is made to your application for approval of a _____
acre non-standard gas proration unit in the _____
Gas Pool consisting of the following acreage:

_____ COUNTY, NEW MEXICO
TOWNSHIP _____ SOUTH, RANGE _____ EAST, NMPM
SECTION _____ :

It is understood that this unit is to be dedicated to your

By authority granted me under the provisions of the Special
Rules and Regulations for the _____

_____ Gas Pool, you are hereby authorized to
operate the above described acreage as a non-standard gas proration
unit, with allowable to be assigned thereto in accordance with the pool
rules, based upon the unit size of _____ acres.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Orig. and 1 copy to operator

DRAFT

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:

CASE NO. 5056

Order No. R-4641

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 19, 1973,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of October, 19 73 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 approval of a
a 160-acre non-standard gas proration unit in the Jalmat Gas Pool
comprising the ^{NE 1/4} of Section 29, Township 25 S., Range 37 East,
~~applicants Burleson & Huff~~ ^{South} ~~Coll No. 1A~~ ^{well}
NMPM, Lea County, New Mexico, to be dedicated to ~~well~~ ^{well} located
1980 feet from the North line and 1980 ~~ft~~ ^{ft} from the East line of
said Section 29.

DRAFT

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:

CASE NO. 5066
5056

Order No. R-4641

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

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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 approval of a
a 160-acre non-standard gas proration unit in the Jalmat Gas Pool
comprising the ^{NF/4} ~~NE 1/4~~ of Section 29, Township 25 S., Range 37 East,
^{Applicant's Burleson & Huff} ~~NE 1/4~~ COIL NO. 1A, ^{North} ~~West~~
NMPM, Lea County, New Mexico, to be dedicated to ~~well~~ ^{well} located
1980 feet from the North line and 1980 ~~ft~~ ^{ft} from the East line of
said Section 29.

Case No. 5056
Order No. R-

(3) That applicant further seeks an order pooling all mineral interests from the surface of the ground down to and including the Yates Sand Formation underlying the aforementioned unit.

(4) That applicant has the right to recomplete and has recompleted its ~~Burleson and Huff~~ ^{well} Coll No. 1-A ^A well for the production of gas from the Yates Sand Formation in the Jalmat Gas Pool.

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

Spec (6) That approval of the non-standard proration unit will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

(7) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and equitable 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.

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

(9) That any non-consenting interest owner should have withheld from production ^{his} share of the reasonable costs of recompleting the well, ~~plus an additional 50% thereof as a reasonable costs of recompleting the well plus an additional 50% thereof as a reasonable charge for the risk involved in drilling the well.~~

115,577.12,
(10) That actual costs, should be adopted as the reasonable cost of recompletion of the well.

(11) That \$75.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates); 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 should be 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.

(12) That all proceeds from production from the subject wells 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 a 160-acre non-standard gas proration unit in the NE 1/4 Jalmat gas pool comprising the NW 1/4 of Section 29, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Burleson and Huff, ^{Well} Coll. No. 1-A, ~~well~~ located 1980 feet from the north line and 1980 feet from the East line of said Section 29.

(2) That all mineral interests, whatever they may be, from the surface of the ground down to and including the Yates Sand ^{NE 1/4} formation underlying the NW 1/4 of Section 29, Township 25 South., Range 37 East, NMPM, Jalmat ^{Gas Pool,} ~~gas field~~, Lea County, New Mexico, are hereby pooled to form a non-standard 160-acre gas prorationing unit.

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

(4) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized ~~Schedule of Estimated Well Costs~~ ^{Schedule of Estimated Well Costs} at least 30 days prior to commencing

(4) That the actual and reasonable well costs are hereby determined to be \$15,559.13.

(5) That the operator is hereby authorized to withhold from production the prorata share of reasonable well costs attributable to each non-consenting working interest owner.

(6) That \$75.00 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates); 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 such well, not in excess of what are reasonable, attributable to each nonconsenting working interest.

(7) 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.

(8) That any well cost 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.

(9) 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 of the date of this order.

(10) Jurisdiction.

Done.

①

Application of Burleson & Huff
for a non-standard gas
proportioning unit and com-
pacting, Lea
County, New Mexico.

Case 5056

David A. W. W.

Sept 19th, 1973

Findo

(1) Notice

Double
Spacing

(2) That the Applicant Burleson & Huff
seeks approval of a 160-acre non-standard
gas proportioning unit in the Jalmat Gas Pool
comprising the NW 1/4 of Section 29, Town-
ship 25 S., Range 37 E., NMPM, Lea
County, New Mexico, to be dedicated to
Applicants Burleson & Huff Coll No. 1-A
well, located 1980 feet from the North
line and 1980 feet from the East line of said
Section 29.

(3) That Applicant further seeks an order
pooling all mineral interests from the sur-
face of the ground down to and in-
cluding the Yates Sand Formation underly-
ing the aforementioned unit.

(4) That Applicant has the right to recon-
plate and has recompleted the Burleson &
Huff Coll No. 1-A well for the produc-
tion of gas from the Yates Sand Forma-
tion in the Jalmat Gas Pool.

(5) That there are interest owners in the

(2)

Proposed production unit who have not agreed to pool their interests.

- (6) That approval of the non-standard production unit will afford the applicant the opportunity to produce its fair and equitable share of the gas in the pool and will otherwise prevent waste and protect correlative rights.
- (7) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his fair and equitable share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whether they may be, within said unit.
- (8) That the Applicant should be designated the operator of ~~said well~~ the subject well and unit.
- (9) ~~That any non-consenting owner should be required to pay his reasonable share of reasonable well costs out of production. recompleting the subject well out of production.~~
9. That any non-consenting interest owner should have withheld from production his ~~share~~ share of the reasonable costs of recompleting the well plus an additional 50% thereof as a reasonable charge for the risk involved in drilling the well.

③

- (10) That actual costs ^{should be} ~~are hereby~~ adopted as the reasonable cost of recompletion of the well.
- (11) That \$75.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates); 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 should be 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.

(12) That all proceeds from production from the subject wells 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 a ~~minimum~~ 160 acre non-standard gas proration unit in the Jelmot gas pool comprising the NW 1/4 of Section 29, Township 25 S., Range 37 E. N.M.P.M., Lee County, New Mexico is hereby established and dedicated to the Burleson & Huff, Coll No. 1-A well, located 1980 feet from the North line and 1980 feet from the East line of said Section 29.



(4)

(2) That all mineral interests, whatever they may be, from the surface of the ground down to and including the Yates land formation underlying the NW 1/4 of Section 27, Township 25 S., Range 37 E. NMPLM, Jalmet gas field, Lea County, New Mexico are hereby pooled to form a non-standard 160-acre gas producing unit.

(3) That ~~Texas Oil & Gas Corporation~~ ^{Ben Leon & Hubbs} is hereby designated the operator of the subject well and unit.

(4) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs at least 30 days prior to commencing said well.

(5) That the actual and reasonable well costs ^{are} hereby determined to be \$15559.13

(6) That the operator is hereby authorized to withhold from production the pro rata share of reasonable well costs attributable to each non-consenting working interest owner.

(7) That ^{\$ 75.00} ~~\$150.00~~ per month is hereby fixed as a reasonable charge for supervision (combined fixed rates); 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 such 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~~ ^{Lea} County, New Mexico, to be paid to the true owner

(5)

Thereof upon demand and proof of ownership; that the operator shall notify the commission of the name and address of said crew agent within 90 days of the date of the order.

(11) Jurisdiction

Done

5056

Land 9-19-73

Rec. 9-19-73

Grant of land, one half
interest, as well as location
in Johnson's Pool for
their coll. - April 1986/Nov 8.
Line of 20-25-27.

Found pool a 196 WT in the
160 belonging to John Lane-
hart. About a 150 to Risk,
and 400 overheads Superintend
and 75⁰⁰ in operating cost.

[Signature]

Rush

- When signed call Mr. Koch in
Midland

683-6231

collect