

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN
KAREN AUBREY

CANDACE HAMANN CALLAHAN

JASON KELLAHIN
OF COUNSEL

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

January 30, 1990

RECEIVED

JAN 30 1990

OIL CONSERVATION DIV
SANTA FE

9872

HAND DELIVERED

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

Re: Application of Oxy USA, Inc. for
Termination of Prorating in Burton
Flat-Morrow Gas Pool, Eddy County,
New Mexico

Dear Mr. LeMay:

On behalf of Oxy U.S.A, Inc. please find enclosed our application in the referenced matter which we would appreciate being set for hearing at the next available Examiner's docket of February 21, 1990.

By copy of this application and letter, sent by certified mail return receipt we are notifying all interested parties within the pool and all operators within one mile of the outer boundary of said pool of this Application of their right to appear at the hearing and to participate in this hearing, including the right to present evidence either in support of or in opposition to this Application.

Very truly yours



W. Thomas Kellahin

WTK/tic

xc: Oxy USA, Inc.

Certified Mail Return Receipt
All Parties listed on
Exhibit B to Application

RECEIVED

JAN 30 1990

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

OIL CONSERVATION DIV.
SANTA FE

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

CASE NO:

9872

APPLICATION OF OXY USA, INC.
FOR TERMINATION OF PRORATIONING
IN BURTON FLAT-MORROW GAS POOL,
EDDY COUNTY, NEW MEXICO

APPLICATION OF OXY USA, INC.

COMES NOW OXY USA, INC., by and through its attorneys,
Kellahin, Kellahin & Aubrey, and hereby applies to the New
Mexico Oil Conservation Division for an Order terminating
prorationing in the Burton Flats-Morrow Gas Pool, Eddy
County, New Mexico, and in support thereof would show:

1. Applicant is an operator and working interest owner
in the Burton Flats-Morrow Gas Pool, Eddy County, New Mexico
with approximately 40% of the January 1990 pool production.

2. The Burton Flat-Morrow Gas Pool ("the Pool") was
established by the Division Order R-4486 and made effective
March 1, 1973. The current Pool is shown on Exhibit A.

3. Prorationing was instituted in the Pool by Division
Order R-4706 entered effective January 16, 1974.

4. The Pool, as of August, 1989, encompassed the following area:

Township 20 South, Range 27 East, NMPM

Section 12: S/2
Section 13: All
Section 14: E/2
Section 23 through 26: All
Section 35 and 36: All

Township 20 South, Range 28 East, NMPM

Section 8: S/2
Section 9: W/2
Section 11 and 14: All
Sections 16 through 27: All
Sections 29 through 34: All
Section 35: W/2

Township 21 South, Range 26 East, NMPM

Section 1: Lots 1 through 16, and
S/2
Section 11: N/2
Sections 12 and 13: All
Section 14: E/2

Township 21 South, Range 27 East, NMPM

Section 2: Lots 1 through 16, and
S/2
Section 3: All
Section 4: Lots 1 through 16, and
S/2
Sections 5 through 11: All
Section 12: W/2
Section 14 through 22: All
Section 23: W/2
Sections 28,29,30: All
Section 31: N/2
Section 32: All
Section 33: N/2
Section 34: N/2

5. The Pool is also subject to the provisions of Order R-8170, as amended, the General Rules and Regulations for the Prorated Gas Pools of New Mexico.

6. Prorating was originally instituted because the total delivery capacity of the wells in the Pool exceeded the market demand for gas produced from the Pool.

7. Currently and for the remaining life of the Pool, the total deliverability of the wells in the Pool is not expected to exceed market demand for gas produced from the Pool.

8. The production limitations imposed by the prorated allowables has caused and will continue to discourage further developmental drilling, attempted workovers of existing wells, or the installation of compression equipment.

9. Termination of prorating for the Pool will not impair correlative rights.

10. Since the institution of prorating in the Pool, there have been substantial changes in Pool production, development, gas purchasing and marketing practices, and other factors affecting the oil and gas industry which make prorating of the Pool unnecessary.

11. Applicant proposes that prorating for the Pool be terminated effective February 1, 1990.

12. Applicant has previously contacted the 18 operators in the Pool concerning this matter and as of the date of this Application has received written waivers of any objection from eight operators. Applicant is not aware of any opposition to this Application.

13. Applicant requests that this matter be set for hearing on the Examiner's Docket now scheduled for February 21, 1990.

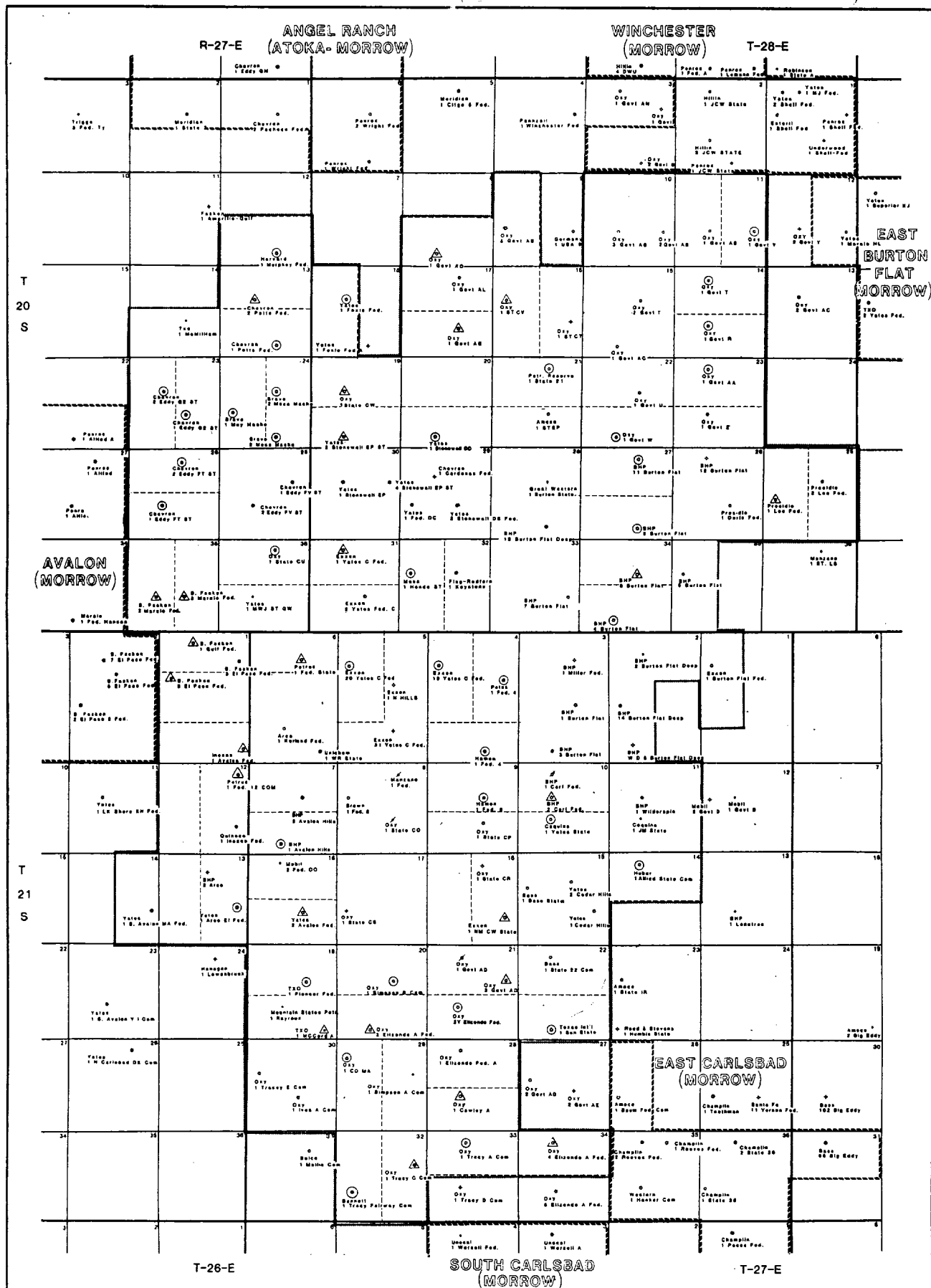
14. Pursuant to Division notice requirements, Applicant has sent a copy of this application, certified mail return receipt to all operators of wells within the Pool and all operators of wells within one mile of the outer boundary of the Pool. In addition, Applicant has sent similar notice to all unleased mineral owners or lessees of Pool acreage for those spacing units in the Pool which do not have a currently producing Pool well. Applicant has made a good faith effort to identify and send notice to all pipelines, transporters and purchasers of gas from the Pool. The list of the names and addresses of all those to whom notice has been sent are setforth on Exhibit B attached hereto.

WHEREFORE, Applicant requests that this application be set for hearing before the Division and after said hearing, the Division enter its order terminating prorationing for the subject Pool, and such other and further relief as may be proper based upon this application.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin
Kellahin, Kellahin, & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285
Attorneys for Applicant



- ⊙ MARGINAL WELL, AUG., 89 PRORATION SCHEDULE
- △ NON-MARGINAL WELL
- OUTLINE OF BURTON FLAT (MORROW) FIELD
- - - - - OUTLINE OF OTHER MORROW FIELDS



OXY USA INC.

BURTON FLAT (MORROW) FIELD

EDDY CO., NEW MEXICO



Exhibit A

BURTON FLAT MORROW FIELD

MAILING LIST

Harvard and Lemay Exploration Co.
H. Lee Lemay
P.O. Box 936
Roswell NM 88201

Southwest Resources
Tom Boyd Drilling Company
P.O. Box 1756
Roswell NM 88201

Western Oil Producers, Inc.
P.O. Box 2055
Roswell NM 88201

TXO Production Corporation
1700 Pacific Avenue
Dallas TX 75201-4696

Enerloc Resources, Inc.
1221 Mecham Drive, Suite 5,
Ruidoso NM 88345

Richard S. Brooks Estate
303 West Wall, Suite 303
Midland TX 79701

Penroc Oil Corporation
P.O. Drawer 831
Midland TX 79702

Unocal
P.O. Box 671
Midland TX 79702

Amoco Production Company
P.O. Box 3092
Houston TX 77001

Yates Petroleum Company
Yates Drilling Company
Abo Petroleum Company
Myco Industries
John A. Yates
Los Chicos, a Partnership
207 South 4th Street
Artesia NM 88210

Claremont Corporation
P.O. Box 549
Claremore OK 74017

Esther L. Kelly
P.O. Box 310
Roswell NM 88201

Edward E. Merriman
P.O. Box 48
Lubbock TX 79408

Gerald L. Davis
P.O. Box 6870
Lubbock TX 79412

Mary Beth Boyd
2714 Chrysler Drive
Roswell NM 88201

Barbara Fasken
303 West Wall, Suite 1900
Midland TX 79701

Chevron USA, Inc.
P.O. Box 1150
Midland TX 79702

Mobil Oil Corporation
P.O. Box 633
Midland TX 79702

Petroleum Reserve Company
4815 South Harvard, Suite 305
Tulsa OK 74135

Pennzoil Company
P.O. Drawer 1828
Midland TX 79702

Coquina Oil Corporation
P.O. Drawer 2960
Midland TX 79702

Mesa Operating Limited Partnership
P.O. Box 2009
Amarillo TX 79182-2009

Oryx Energy Company
P.O. Box 2880
Dallas TX 75221

Flag-Redfern Oil Company,
Redfern Enterprises, Inc.
Rosalind Redfern
P.O. Box 11050
Midland TX 79702

MWJ Producing Company
400 West Illinois, Suite 1100
Midland TX 79701

Arco Oil & Gas Company
P.O. Box 1610
Midland TX 79702

Frederick Van Vranken
665 5th Avenue, 10th Floor
New York NY 10022

American National Petroleum Company
P.O. Box 27725
Houston TX 77227-7725

E.G. Holden Testamentary Trust,
Betsy N. Keller
2524 Union Street
San Francisco CA 94123

Charles Cline Moore
138 Harvard Avenue
Mill Valley CA 94941

Estate of W.N. Oliver
c/o Pat Fisher
P.O. Box 241
Dallas TX 75221

Adolph P. Schuman
2701 16th Street
San Francisco CA 94104

Bank of California Trust # 22110430
550 South Flower Street
Los Angeles CA 90017

Ernie Bello
3325 Ala Akulikuli
Honolulu HI 96818

J.W. Gendron
2989 Eucalyptus Hill
Santa Barbara CA 93108

Edward R. Hudson, Jr.
William A. Judson, II
Mary Hudson Ard
1000 First National Bank Building
Fort Worth TX 76102

North American Royalties
306 West Wall, Suite 1400
Midland TX 79701

Space Building Corporation
250 Cape Highway, Route 44
East Taunton MA 02718

Elizabeth M. Webster
Rd. #5 Mountain View
Princeton NJ 08540

Sanford J. Nosce, III
c/o V.N. Zoller
First City Center, Suite 910
Midland TX 79701

Dr. Isaac A. Kawasaki
1232 South King Street
Honolulu HI 96814

Vernon Monroe
c/o White & Case
14 Wall Street
New York NY 10005

Stephen B. Palmer
63 Joanne Way
Short Hills NJ 07078

Bank of California, Trust # 20450
550 South Flower Street
Los Angeles CA 90017

Bank of California Trust # 20651
550 South Flower Street
Los Angeles CA 90017

Mrs. Frances B. Dunn
2493 Makiki Heights
Honolulu HI 96822

David Goodnow
230 Ridgefield Road
Wilton CT 06597

Edward C. Hallock
18 Frier Tuck Circle
Summit NJ 07901

Estate of William D. Oliver
c/o Pat Fisher
P.O. Box 241
Dallas TX 75221

Tom Brown, Inc.
P.O. Drawer 10970
Midland TX 70702

Mitchel E. Cheney
P.O. Box 8511
Midland TX 79702

BHP Petroleum, Inc.
6 Desta Drive, Suite 3200
Midland TX 7975-5510

George D. Riggs
P.O. Box 30
Carlsbad NM 88220

Kearney R. Waters
815 Brandon Avenue
Jackson MS 39209

J.A. Morgan
534 Sixth Avenue
Laurel MS 39440

R.L. Bunner
P.O. Box 110
Carlsbad NM 88220

Jake L. Hamon
P.O. Box 663
Dallas TX 75201

Donald Clayton Chapell
Chapell 1974 Trust Indenture
Lisa Kennedy Hicks
3025 RepublicBank Tower
Dallas TX 75201

Bonneville Fuels Corporation
1600 Broadway, Suite 1110
Denver CO 80202

Harvey E. Yates Company
P.O. Box 1933
Roswell NM 88201

Joseph W. Hodge
c/o V.N. Zoller
First City Center, Suite 910
Midland TX 79701

Bureau of Land Management
P.O. Box 1449
Santa Fe NM 88705

Richard Barr
P.O. Box 8511
Midland TX 79702

Scott E. Wilson
500 North Loraine Street, Suite 1070
Midland TX 79701

Dan A. Hughes
P.O. Drawer 669
Beeville TX 78104

A.F. Chisolm
P.O. Box 625
Laurel MS 39440

E.P. Russel
Homewood
Laurel MS 39440

Dudley J. Hughes
200 South Lamar Street, # 800
Jackson MS 39201

Exxon Co., USA
P.O. Box 1600
Midland TX 79702-1600

Harper Oil Company
P.O. Box 5928
Denver CO 80217

Clayton Chapel Kennedy
9421 Thornberry Lane
Dallas TX 75220

Hondo Oil & Gas Company
P.O. Box 2208
Roswell NM 88202

H.L. Brown, Jr.
P.O. Box 2237
Midland TX 79702

U.S. Companies, Inc.
5950 Berkshire Lane, Suite 300
Dallas TX 75225

Bass Enterprises Production Company
201 Main Street, Suite 300
Fort Worth TX 76102

R.C. Bennett
1 Marienfeld Place, Suite 595
Midland TX 79701

Bravo Energy, Inc.
P.O. Box 2160
Hobbs NM 88241

Bill H. Pearl Production, Inc.
P.O. Box 2179
Alice TX 78333

Hamon Operating Company
8411 Preston Road, Suite 800-LB33
Dallas TX 75225

Charles Cline Moore
138 Harvard Avenue
Mill Valley CA 94941

Petroleum Acquisitions, Inc.
501 NW Expressway
Oklahoma City OK 73118

Petrus Oil Company
400 West Illinois, Suite 940
Midland TX 79701

Kerr McGee Corporation
P.O. Box 25861
Oklahoma City OK 73125

J. Hiram Moore
404 Century Plaza
Midland TX 79701

Mrs. Martina Jimenez
Last Known Address
Carlsbad NM 88220

Ferman Garcia
1417 Tokay Avenue
Carlsbad NM 88220

J.C. Davis Jr.
Metro Building
Midland TX 79701

J.M. Huber Corporation
2000 West Loop South
Houston TX 77027

Seventy-Seven Corporation
201 Western United Life Building
Midland TX 79701

Liberty Oil & Gas Corp.
P.O. Drawer 430
Livonia LA 70755

Shinnery Investment Company
112 North First Street
Artesia NM 88210

Jack O. McCall
P.O. Box 931
Midland TX 79702

Tenison Oil Company
601 One Glen Lakes
8140 Walnut Hill Lane
Dallas TX 75231

Ray Westall
P.O. Box 4
Loco Hills NM 88255

Santa Fe Energy
500 West Illinois, 5th Floor
Midland TX 79701

MWJ Producing Company
400 West Illinois, Suite 1100
Midland TX 79701

Bristol Resources 1987-1
Acquisitions Program
3601 East 51st Street, Suite B
Tulsa OK 74135

Mr. & Mrs. Kiel Bonnell
P.O. Box 266
Carlsbad NM 88220

Mr. & Mrs. Felipe Hernandez
2425 Oscar Lane
Gilroy CA 95020

Mr. & Mrs. William E. Pickens
Route 2, Box 9-D
Carlsbad NM 88220

Mr. & Mrs. Fred Russell
1008 Bonbright
Carlsbad NM 88220

Francis G. Tracy, Jr.
P.O. Box 700
Carlsbad NM 88220

Mr. & Mrs. Myrl Dean Reynolds
P.O. Box 938
Carlsbad NM 88220

Mr. & Mrs. Kenneth O. Monk
P.O. Box 6312
Navajo Dam NM 87419

William A. Wood
2375 Rosedale
Las Cruces NM 88001

Tenneco Gas
P.O. Box 2511
Houston TX 77252-2511

Coronado Exploration Corporation
1007 Marquette NW
Albuquerque NM 87102

Yates Petroleum Corporation
Attn: Dave Bonneau
105 South 4th
Artesia, NM 88210

Chevron USA
Attn: Frank A. Primus
P.O. Box 1635
Houston, TX 77251

TXO Production Corporation
Attn: Clark Vickers
415 West Wall - Suite 900
Midland, TX 79701-4468

R.C. Bennett
P.O. Box 264
Midland, TX 79702

Elizabeth Bruhl
Route 2, Box 9-H
Carlsbad NM 88220

Mr. & Mrs. Manuel Elizandro
P.O. Box 548
Carlsbad NM 88220

Josephine T. Eddy
601 West Orchard Lane
Carlsbad NM 88220

Wayne Ray Jones
P.O. Box 94
Carlsbad NM 99220

Elizabeth M. Coleman
6801 Waterhen Circle
Las Vegas NV 89108

Mr. & Mrs. Roscoe J. Melvin
Route 2, Box 5H
Carlsbad NM 88220

Texaco USA
P.O. Box 3109
Midland TX 79702

Western Reserves Oil Company
P.O. Box 993
Midland TX 79702

Exxon USA, Inc.
Attn: Bill Duncan
P.O. Box 1600
Midland, TX 79702

Petrus Oil Company, L.P.
Attn: Don Spence
12377 Merit Drive, Suite 1600
Dallas, TX 75251

Presidio Exploration Inc.
Attn: Tom Sprinkle
3131 Turtle Creek Blvd. - Suite 400
Dallas, TX 75219

NOMINATORS FOR BURTON FLAT-MORROW

Gas Company of New Mexico
P.O. Box 26400
Albuquerque, NM 87125

Phillips 66 Natural Gas Company
4001 Penbrook
Odessa, TX 79762

Transwestern Pipeline Company
P.O. Box 1188
Houston, TX 77251-1188

TRANSPORTERS

El Paso Natural Gas Company
P.O. Box 1492
El Paso, TX 79978

Llano, Inc.
921 W. Sanger
Hobbs, NM 88240-4917

Mapel Gas Corp. (Cabot)
P.O. Box 50020
Amarillo, TX 79106

Natural Gas Pipeline Company of America
701 East 22nd Street
Lombard, IL 60148