

NEW MEXICO OIL CONSERVATION COMMISSION

COMMISSION HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 19, 1986 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Joe Carson	Loren Carson PA	Albena
Tom Kelly	Yates Petroleum Corp	Albena
H.P. Bobe Kendrick	El Paso Natural Gas Co	El Paso Tx
William L. Fair	Campbell + Cook, P.A.	Santa Fe, N.M.
Bob Fisher	Byram	Santa Fe
W. McCoy	Santa Fe Exp	Santa Fe
Steve L. Gunn	Santa Fe Exp	Roswell
Tom Kelleher	Kelleher + Kelleher	Santa Fe
Steve Thurman	LBB Inc.	
L.B. Thurman	LBB, Inc.	Medford
Walter A. Mayers	Santa Fe Exp.	Roswell
Morris E. Singer	Grynberg Pet	Denver
Dan Dutton	Cous Engg	Sta Fe
E Padilla	Padilla + Saylor	SF
John Paul NESO	Mason, Renner + Saunders	Harris

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

19 June 1986

COMMISSION HEARING

IN THE MATTER OF:

Application of Lewis B. Burleson, Inc., for a nonstandard gas proration unit and unorthodox gas well location, Lea County, New Mexico. CASE 8924

BEFORE: Richard L. Stamets, Chairman
Ed Kelley, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Charles E. Roybal
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Energy and Minerals Dept.
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Santa Fe, New Mexico 87501

For the Applicant: W. Thomas Kellahin
Attorney at Law
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501

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I N D E X

LEWIS B. BURLESON

Direct Examination by Mr. Kellahin 4

E X H I B I T S

Burleson Exhibit One, Plat 4

Burleson Exhibit Two, Notification 6

Burleson Exhibit Three, Completion Report 7

Burleson Exhibit Four, Log 8

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MR. STAMETS: We'll call Case 8924.

MR. ROYBAL: Case 8924. Application of Lewis B. Burleson, Inc. for a nonstandard gas production unit and an unorthodox gas well location, Lea County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. KELLAHIN: Mr. Chairman, I am Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant, and I have one witness to be sworn.

MR. STAMETS: Any other appearances in this case?

I'd like to have the witness stand and be sworn, please.

(Witness sworn.)

LEWIS B. BURLESON,
being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

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DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Burleson, for the record would you please state your name and occupation?

A Lewis Burleson, and I am the operator and -- of certain -- certain properties in New Mexico.

Q Do you operate a proration and spacing unit in the Jalmat Gas Pool of Lea County, New Mexico, under the corporate name Lewis B. Burleson, Inc.?

A Yes.

Q And is that the proration unit that's set forth in Case 8924?

A Yes, that is correct.

Q Mr. Burleson, have you previously testified before the Division as an expert geologist?

A Yes, I have.

MR. KELLAHIN: We tender Mr. Burleson as an expert witness.

MR. STAMETS: He is considered qualified.

Q Mr. Burleson, let me direct your attention to Exhibit Number One and have you identify the exhibit and then let me ask you some questions about it.

A We are applying for a unit in Section 22,

1 25 South, 37 East, and covers the southeast of the northwest
2 on which we drilled our Mobil No. 1 in 1978, which is a
3 Langlie Mattix well and have it -- are applying with that 40
4 the northeast of the northwest and the northwest of the
5 northeast, and the northeast of the northeast minus the ten
6 acres that has always been part of Cities Service' lease in
7 Section 23, as shown on our Exhibit Number One.

8 Q The acreage outlined in yellow is the
9 proposed nonstandard 150-acre Jalmat proration and spacing
10 unit?

11 A That is correct.

12 Q And with the exception of the 40-acre
13 tract on which the red circle is located, the balance of
14 that acreage has in the past constituted a Jalmat gas pro-
15 ration unit?

16 A That is correct.

17 Q And you propose to add to it, then, the
18 40-acre tract to the south and thereby creating 150-acre
19 unit.

20 A That is correct.

21 Q And the well to which that acreage would
22 be dedicated is the Mobil No. 1 Well?

23 A That is correct.

24 Q And that's shown by the red circle.

25 A Yes.

1 Q Okay. What is the status of that well at
2 this point?

3 A The Mobil No. 1 is a Langlie Mattix Gas
4 well that produces approximately 750 MCF per month.

5 Q And it was drilled as a Langlie Mattix
6 well?

7 A That is correct.

8 Q And what do you propose to do with that
9 well now?

10 A We propose to set a bridge plug and per-
11 forate the Yates Section and put that well into a Jalmat
12 section.

13 Q Have you caused the offset operators to
14 be notified of your application for this hearing today,
15 Mr. Burleson?

16 A Yes, we have.

17 MR. KELLAHIN: Mr. Chairman,
18 that's reflected on Exhibit Number Two, the notification to
19 the offset operators. I failed to bring with me the return
20 receipt card of one of the companies. I will submit to you
21 after the hearing, if that is permitted, the return receipt
22 card for Mobil Producing Texas and New Mexico.

23 The others are submitted with
24 this exhibit.

25

1 MR. STAMETS: That will be
2 fine, Mr. Kellahin.

3 Q Let me direct your attention, Mr. Burle-
4 son, to Exhibit Number Three and have you identify that ex-
5 hibit.

6 A Exhibit Number Three is the completion
7 data on the Mobil No. 1, which was drilled and completed in
8 March 19, 1978, from perforations in the Queen section, and
9 the well was completed as a flowing gas well for 231 MCF per
10 day.

11 It is this well that was drilled 1980
12 from the north and 2180 from the west that we would like to
13 re-enter and complete in the Yates section.

14 Q This well is a standard location in the
15 Langlie Mattix?

16 A Yes, it is.

17 Q And will it be a standard location in the
18 Jalmat?

19 A No, it will be off because there's a hill
20 there and we put this at the best location at that time and
21 which is only 200 feet east of a standard location.

22 Q As part of today's application, then,
23 you're seeking the approval of the unorthodox location for
24 this well for the Jalmat Gas Pool.

25 A Yes, that is correct.

1 Q Let's turn to Exhibit Number Four, Mr.
2 Burleson, and have you identify and describe that exhibit.

3 A Exhibit Number Four is a copy of a com-
4 pensated density log on this well, which shows our -- the
5 present perms in the Queen section, existing perms from 3196
6 to 3350, and we propose to set a bridge plug at approximate-
7 ly 3010 and perforate the Yates section from 2800 to 2970.

8 Q All right, tell me again the range for
9 the range for the perforations in the Yates. What were the
10 numbers?

11 A 28 -- 2830 to 2970.

12 Q And the proposed perforations are indi-
13 cated in what fashion on the exhibit?

14 A They are shown in green and under the
15 proposed perforations.

16 Q And the existing perforations for the
17 well represent what?

18 A They are in the upper -- I mean they are
19 in the Queen and the Lower Seven Rivers and shown in blue on
20 the bottom of the log.

21 Q Mr. Burleson, will the approval of this
22 application be in the best interest of conservation, preven-
23 tion of waste, and the protection of correlative rights?

24 A Yes, it will.

25 Q Will this give you an opportunity as the

1 operator of this nonstandard proration unit to have the po-
2 tential to recover gas that might not otherwise be produced?

3 A That is correct.

4 Q In your opinion would the reserves in the
5 Jalmat Gas Pool justify anything other than the re-entry and
6 utilization of this wellbore for production from the Jalmat?

7 A That's correct.

8 Q Okay, you could not drill a new Jalmat
9 well for these reserves?

10 A Well, at the present time we could not.

11 Q The utilization of the existing wellbore,
12 then, to produce these Jalmat reserves is the method that is
13 the most effective and efficient method to produce those re-
14 serves?

15 A Right, that is correct.

16 Q And do you control the ownership for the
17 proposed nonstandard proration unit?

18 A That is correct, we do.

19 Q Were Exhibits One, Three, and Four pre-
20 pared by you or compiled under your direction and supervi-
21 sion?

22 A Yes, they were.

23 MR. KELLAHIN: We'd move the
24 introduction of Exhibits One through Four.

25 MR. STAMETS: The exhibits will

1 be admitted.

2 MR. KELLAHIN: That concludes
3 my examination of Mr. Burleson.

4 MR. STAMETS: Mr. Burleson,
5 will the Mobil No. 1 Well be the only producing well on this
6 nonstandard unit?

7 A That is correct.

8 MR. STAMETS: And the acreage
9 which is left out on the far east side, do you know if
10 that's dedicated to a producing well?

11 A For many years. It is controlled by
12 Cities Service and dedicated to their well, which they have
13 temporarily abandoned or plugged in the northwest of the
14 northwest of 24.

15 MR. STAMETS: Are there other
16 questions of the witness?

17 He may be excused.

18 Ed, do you see any reason not
19 to approve this?

20 DR. KELLEY: It seems like the
21 right thing to do.

22 MR. STAMETS: The Commission
23 will, then, approve this application and would request that
24 Mr. Kellahin supply us with a draft order and we'll process
25 that as quickly as we can after we receive that.

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MR. KELLAHIN: Thank you very

much.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.