

Case Number.

4200

Application

Transcripts.

Small Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 27, 1969

EXAMINER HEARING

IN THE MATTER OF:)
)
)
Application of Burleson & Huff for) Case No. 4200
compulsory pooling and a non-standard)
gas proration unit, Lea County, New)
Mexico.)

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4200.

MR. HATCH: Case 4200. Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin appearing for the Applicant. In connection with Case 4200, we have been advised that Atlantic Richfield, who held the only unleased mineral interest, has agreed to accept the offer made by Burleson & Huff. And I believe there is a copy of a telegram, which we wish to file to that effect. We would, therefore, like to dismiss that portion of our application pertaining to the compulsory pooling of this unit, but due to the fact that this is a non-standard unit, we would like to proceed with our case insofar as the approval of a non-standard unit of the Jalmat gas pool is concerned.

MR. HATCH: The Commission has received this.

MR. KELLAHIN: We have one witness, Mr. Jack Huff. May the record show that he has been sworn and is under oath?

MR. UTZ: Let the record so show.

(Witness sworn.)

(Whereupon, Applicant's
Exhibit 1 was marked for
identification.)

JACK HUFF

called as a witness, having been first duly sworn, was
examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Jack Huff.

Q Are you the same Jack Huff that testified in
Case No. 4199?

A Yes, sir.

Q Mr. Huff, you have heard the statement that I
made in regard to the compulsory pooling and non-standard
proration unit in Case No. 4200. Did I correctly state
that --

A Yes, you did. May I add one thing with respect
to the telegram?

Q Yes.

A The telegram does not say that Atlantic Richfield
would be agreeable to a lease which would provide pooling
of the northeast quarter of Section 29 into a unit for a

gas well. However, I called Mr. Dan Goodwin on the telephone, who is with Atlantic Richfield and asked him about that, and he said, yes, that that is what was intended. So, they are agreeable to that northeast quarter of Section 29 as the spacing or the proration unit for the gas well in the Jalmat Gas Yates Field.

Q Referring to what has been marked as Applicant's Exhibit No. 1 in case 4200, would you identify that exhibit?

A Yes, sir. The acreage colored in yellow comprises the northeast quarter of Section 29. Our proposed gas spacing unit, on which we now have all interests leased or committed to be leased. The acreage colored and outlined in red designates each presently existing dedicated gas unit in the Yates Jalmat Gas Field, and each producing gas well is circled in red.

Q And the acreage which is outlined in yellow; is that the acreage you proposed to have approved as a non-standard gas --

A Yes, it is.

Q And it comprises one hundred and sixty acres between the northeast quarter of Section 29; is that correct?

A Yes, sir. Township 25 South, Range 37 East.

Q Was Exhibit 1 prepared by you?

A Yes, it was.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibit No. 1.

MR. UTZ: Without objection, Exhibit No. 1 will be entered into the record of this case.

MR. KELLAHIN: That's all I have.

CROSS EXAMINATION

BY MR. UTZ:

Q I presume, Mr. Huff, that the biggest reason that you want to start another unit of one hundred and sixty acres here, is because you don't have any other acreage?

A Yes, sir; that's correct. I might tell the Commission that we have re-entered the well, situated 1980 feet from the north and 660 feet from the east lines of Section 29, and are presently attempting to complete it as a gas well in the Jalmat Yates Gas Field.

We have perforated and acidized the Yates and it looks like we have gotten quite a bit of water. It was flowing water by heads, and we are presently trying to determine the course of the water.

Q Which well was that?

A It's the well that is situated 1980 feet from the north and 660 feet from the east lines of Section 29, shown on the map as Burleson & Huff No. 1 Coll.

Q That's the well on this unit then?

A Yes, sir.

MR. UTZ: Any questions of the witness? You may be excused.

(Witness excused.)

MR. UTZ: Statements? The case will be taken under advisement.

I N D E X

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I, CA FENLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Ala Fowler

Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4209 heard by me on July 27, 1969

James C. [Signature], Chairman
The Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

September 10, 1969

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

Re: Case No. 4200
Order No. R-3834
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 Atlantic Richfield Corporation, P. O. Box 1978, Roswell

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. 4200
Order No. R-3834

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of September, 1969, 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, filed an applica-
tion seeking an order pooling all mineral interests in the Jalmat
Gas Pool underlying 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 well to be recompleted, located
1980 feet from the North line and 660 feet from the East line of
said Section 29.

(3) That all interest owners in said quarter section have
now agreed to pool their interests and the applicant has requested
that that portion of the application seeking compulsory pooling
be dismissed.

(4) That the applicant's request to dismiss the compulsory
pooling portion of the application should be granted.

-2-

CASE No. 4200
Order No. R-3834

(5) That the applicant still seeks approval of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NE/4 of said Section 29 to be dedicated to the above-described well.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject well.

(7) That approval of the proposed non-standard gas 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.

IT IS THEREFORE ORDERED:

(1) That that portion of the application of Burleson & Huff seeking an order pooling all mineral interests in the Jalmat Gas Pool underlying the NE/4 of Section 29, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby dismissed.

(2) 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 & Huff Coll Well No. 1, a well to be recompleted, located 1980 feet from the North line and 660 feet from the East line of said Section 29.

(3) 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


DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

Case 4200

Record 8-27-69

Rec. 9-3-69.

Grant Burleson & Hays.

a ~~60A~~ NSP for their Roll #1

~~660~~ 1980/N, 660/E lines of

29-255-37E, (unit 1#)

[Signature]

CASE 4194 - Continued from Page 1 -

seeks authority to inject gas through two additional wells located in Unit L of Section 34, Township 17 South, Range 35 East and Unit B of Section 4, Township 18 South, Range 35 East and to expand said project area to include the SE/4 NE/4 of Section 33 and the NW/4, N/2 SE/4, and SW/4 SE/4 of Section 34 Township 17 South, Range 35 East. Applicant further seeks authority to dually complete all gas injection wells in the project in such a manner as to permit the production of oil from the lower section of the Abo Reef through tubing and the injection of gas into the upper section of the Abo Reef through the casing-tubing annulus.

CASE 4195: Application of Continental Oil Company for eight non-standard gas proration units and a non-standard gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of acreage to establish the eight following non-standard gas proration units in Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico:

A 120-acre non-standard unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 14, to be dedicated to the "SEMU" Well No. 46, located in Unit D of said Section 14;

A 240-acre non-standard unit comprising the NE/4 and E/2 SE/4 of Section 26, to be dedicated to the "SEMU" Well No. 64, located in Unit G of said Section 26;

A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;

A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;

DOCKET No. 24-69

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 27, 1969

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 Daniel S. Nutter, Alternate Examiner:

- CASE 4191: Application of Gulf Oil Corporation for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 4408 feet to 4415 feet in its Roosevelt "AN" State Well No. 3 located in the NW/4 SE/4 of Section 32, Township 7 South, Range 36 East, adjacent to the Todd-Lower San Andres Pool, Roosevelt County, New Mexico.
- CASE 4192: Application of Southwest Production Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Buffalo Valley "Com" Well No. 2 at an unorthodox location 1650 feet from the North line and 990 feet from the East line of Section 35, Township 14 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, in exception to the provisions of Rule 2 of the special rules for said pool.
- CASE 4193: Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Bowers "A" Federal Com 33 Well No. 33 located in Unit D of Section 29, Township 18 South, Range 30 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Hobbs (Grayburg-San Andres) Pool and the Hobbs-Blinbry Pool through parallel strings of tubing.
- CASE 4194: Application of Phillips Petroleum Company for an amendment of Order No. R-3181 and dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3181, which order established special rules regulating the operation of the Phillips Petroleum Company Vacuum Abo Pressure Maintenance Project, Vacuum-Abo Reef Pool, Lea County, New Mexico. Applicant

CASE 4197 - Continued from Page 3 -

Applicant now seeks authority to locate said well at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of said Section 35 in the Forest (San Andres) Pool.

CASE 4198: Application of Continental Oil Company for amendment of Order No. R-3487, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3487 which authorized the applicant to utilize its Eaves "A" Well No. 10, located in Unit P of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, to dispose of salt water into the Seven Rivers formation in the interval from 3208 feet to 3255 feet. Applicant now seeks authority to inject produced salt water into the Yates and Seven Rivers formations in the perforated and open-hole interval from approximately 3107 feet to 3410 feet in said well and the reclassification of said salt water disposal well to a pressure maintenance injection well.

CASE 4199: Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SE/4 of Section 28, Township 25 South, Range 37 East, Lea County, New Mexico. Said 160-acre non-standard gas proration unit to be dedicated to the Burleson & Huff "Cook" Well No. 2, a recompleted well, located 660 feet from the South and East lines of said Section 28. Also to be considered will be the costs of drilling and/or recompleting said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4200: Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NE/4 of Section 29, Township 25 South, Range 37 East, Lea County, New Mexico. Said 160-acre non-standard gas proration unit to be dedicated to a well,

CASE 4195 - Continued from Page 2 -

A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23;

An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;

A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South and East lines of said Section 22.

CASE 4196: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of three existing non-standard gas proration units into one 360-acre non-standard unit comprising the W/2 and the NW/4 NE/4 of Section 18, Township 23 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Stevens "B" Wells Nos. 15 and 16, located in Units F and K, respectively, of said Section 18. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 4197: Application of Continental Oil Company for an amendment to Order No. R-3755, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3755 which authorized, among other things, the drilling of a water injection well in the Forest Donahue Waterflood Project area at a location 1980 feet from the North line and 1650 feet from the West line of Section 35, Township 16 South, Range 29 East, Eddy County, New Mexico.

CASE 4204 - Continued from Page 5 -

and unorthodox locations in Sections 3 and 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved for said project administratively.

CASE 4205: Application of Tesoro Petroleum Corporation for four unorthodox injection well locations and amendment of Order No. R-2807, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Hospah Upper Sand Oil Pool in its Hospah Unit Waterflood Project Area through four additional injection wells at unorthodox locations in Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico, said wells to be located as follows:

Well No. 62 located 1900 feet from the South line and 1140 feet from the West line;

Well No. 63 located 1980 feet from the North line and 2310 feet from the West line;

A well to be drilled 1430 feet from the South line and 2625 feet from the East line;

A well to be drilled 30 feet from the South line and 2350 feet from the East line.

Applicant further seeks the amendment of Order No. R-2807, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells at unorthodox locations, as may be necessary to complete an efficient injection pattern, may be approved administratively.

CASE 4206: Application of Shell Oil Company for an unorthodox oil well location and amendment to Order No. R-2538, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 1315 feet from the North line and 2625 feet from the West line of Section 34, Township 19

CASE 4200 - Continued from Page 4 -

to be recompleted, located 660 feet from the East line and 1930 feet from the North line of said Section 29. Also to be considered will be the costs of drilling and/or recompleting said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4201: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Mattix Queen Unit Area comprising 1120 acres, more or less, of federal and fee lands in Sections 10, 11, 14, 15, 22, and 23, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4202: Application of Mobil Oil Corporation for a waterflood project and unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Langlie-Mattix Queen Unit Area by the injection of water into the Queen sand through 17 wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved for said project administratively.

CASE 4203: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Humphrey Queen Unit Area comprising 761 acres, more or less, of federal and fee lands in Sections 3 and 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4204: Application of Mobil Oil Corporation for a waterflood project and unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Humphrey Queen Unit Area by the injection of water into the Queen sand through 11 wells at orthodox

CASE 4206 - Continued from Page 6 -

South, Range 35 East, as an infill well in its East Pearl-Queen Unit Waterflood Project area, East Pearl-Queen Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2538, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional producing wells at unorthodox infill locations in the aforesaid project area, as may be necessary to complete an efficient producing pattern, may be approved administratively.

CASE 4207: Application of C. W. Trainer and DEL-LEA, Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicants, in the above-styled cause, seek an exception to Rule 104 C II to permit the drilling of a well at an unorthodox gas well location 330 feet from the North line and 660 feet from the West line of Section 35, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool, Lea County, New Mexico. The N/2 of said Section 35 to be dedicated to the well.

CASE 4186: (Readvertised)

Application of Tenneco Oil Company for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the North half of Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled at an unorthodox gas well location 2250 feet from the North line and 600 feet from the East line of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well. In the absence of a valid objection an order will be issued upon the record entered in the subject case August 6, 1969.

CASE 4208: Application of John A. Yates of Artesia for several waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute

CASE 4208 - Continued from Page 7 -

several waterflood projects by the injection of water into the Seven Rivers formation through his Mary Lou Well No. 1 located in Unit H of Section 29 and his Caroline Well No. 4 located in Unit E of Section 28, both in Township 19 South, Range 28 East, East Millman-Seven Rivers Pool, Eddy County, New Mexico.

CASE 4209: Application of Harvey E. Yates Company of Artesia for several pressure maintenance projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute several pressure maintenance projects by the injection of water into the Seven Rivers and Queen formations, McMillan (Seven Rivers-Queen) Pool, Eddy County, New Mexico, through the following-described wells in Township 20 South, Range 27 East:

Page & Yates Well No. 8 - Unit M - Section 5
Page & Yates Well No. 6 - Unit I - Section 6
Page & Yates Well No. 7 - Unit J - Section 6
Lillie Yates Well No. 2 - Unit B - Section 7



western union

Telegram

(1135)C

LA064 SSG116 I

L RWA019 RC PDF=ROSWELL NMEX 26 1124A MDT 69 AUG 26 AM 11 51

NEW MEXICO OIL CONSERVATION COMMISSION

ATTN MR A L PORTER JR DLY 75 REPORT DELIVERY=

SANTA FE NMEX=

RE OCC CASE NUMBER 4200 SET FOR AUGUST 27. ATLANTIC
RICHFIELD COMPANY HAS DECIDED TO ACCEPT BURLESON AND
HUFF'S OFFER TO TAKE A SHORT TERM LEASE, ONE QUARTER
ROYALTY BASIS, FROM THE SURFACE TO THE BASE OF THE YATES
FORMATION ON ATLANTIC'S FRACTIONAL MINERAL INTEREST
UNDER THE SOUTH HALF NORTHEAST QUARTER OF SECTION 29

WU 1201 (R 5-60)



western union

Telegram

TOWNSHIP 25 SOUTH RANGE 37 EAST LEA COUNTY NMEX=

ATLANTIC RICHFIELD BY DAN GOODWIN LAND DEPT=

WU 1201 (R 5-60)

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF BURLESON & HUFF FOR AN ORDER
FOR COMPULSORY POOLING OF THE
NE/4 OF SECTION 29, TOWNSHIP 25
SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO, AND FOR
APPROVAL OF A NON-STANDARD UNIT
IN THE JALMAT GAS POOL

Case 4200

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 for compulsory pooling of all mineral interests in and under the NE/4 of Section 29, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, insofar as the Jalmat Gas Pool is concerned, and for approval of a non-standard unit, in said Pool, and in support thereof would show the Commission:

1. Applicant is the owner of the right to drill and develop the NE/4 of said Section 29, through the base of the Yates formation with the exception of an undivided, unleased ^{1/4}/₂ mineral interest under the S/2 of the NE/4 of Section 29, which interest is owned, to the best of applicant's knowledge and belief, by Atlantic Richfield Corporation, whose address

~~DOCKET MARKED~~ Post Office Box 1978, Roswell, New Mexico 88201.

Date 8-15-69 2. Under the pool rules for the Jalmat Gas Pool, as contained in Commission Order No. R-1670, a standard drilling and proration unit for the Jalmat Gas Pool consists of 640 acres, comprising a standard governmental section. To the best of applicant's information and belief the W/2 of Section 29, and the S/2 of the SE/4 are dedicated to wells in the Jalmat Pool, and it is not possible to dedicate a standard proration unit to a well located in the NE/4 of said section, and unless a non-standard unit is approved, consisting of the

~~DOCKET MARKED~~

Date 8-15-69

NE/4 of Section 29, Township 25 South, Range 37 East, applicant will be deprived of the right to obtain its just and equitable share of the oil and gas underlying said lands.

3. Applicant proposes to re-enter a well, the Burleson & Huff No. 1 Coll, formerly the Union Texas Petroleum Corporation No. 1 Coll, located 660 feet from the East line and 1980 feet from the North line of Section 29, and to complete it for production from the Jalmat Gas Pool.

4. The owners of the mineral interests underlying the NE/4 of said section have been unable to agree to pool their interests. Unless said acreage is pooled, as provided by law, the applicant will be denied the right to recover its just and equitable share of the oil and gas underlying the lands owned by it in the Jalmat Gas Pool.

WHEREFORE, applicant prays that the Commission set this application for hearing before the Commission, or before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving a non-standard drilling and proration unit in the Jalmat Pool, consisting of the NE/4 of Section 29, Township 25 South, Range 37 East, N.M.P.M., and force pooling all of the oil and gas mineral interests underlying said NE/4 insofar as production from the Jalmat Gas Pool is concerned.

Applicant further prays that the Commission designate it as operator of said unit, and make suitable provision for recovery of its costs incurred in the drilling, completion, supervision and operation of said well, from any non-consenting owners, and including a suitable risk factor for the risk involved in the drilling and completion of a well or wells on said tract, to be recovered out of any non-consenting owners prorata share of production, together with provision for the

recovery of the costs of operation of said well and the supervision thereof, and for such other and further provisions as may be proper.

Respectfully submitted,

BURLESON & HUFF

BY: _____
KELLAHIN & FOX
Post Office Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

DRAFT

GMH/esr
9-8-69

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. 4200

Order No. R-3824

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of September, 1969, 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, filed an applica-
tion seeking an order pooling all mineral interests in the Jalmat
Gas Pool underlying 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 well to be recompleted, located
1980 feet from the North line and 660 feet from the East line of
said Section 29.

(3) That all interest owners in said quarter section have
now agreed to pool their interests and the applicant has requested
that that portion of the application seeking compulsory pooling
be dismissed.

(4) That the applicant's request to dismiss the compulsory pooling portion of the application should be granted.

(5) That the applicant still seeks approval of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NE/4 of said Section 29 to be dedicated to the above-described well.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject well.

(7) That approval of the proposed non-standard gas 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.

IT IS THEREFORE ORDERED:

(1) That that portion of the application of Burleson & Huff seeking an order pooling all mineral interests in the Jalmat Gas Pool underlying the NE/4 of Section 29, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby dismissed.

(2) 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 & Huff ~~Coll~~ Well No. 1, a well to be recompleted, located 1980 feet from the North line and 660 feet from the East line of said Section 29.

(3) 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.