

CASE 6451: BURLERSON & HUFF FOR APPROVAL  
OF INFILL DRILLING AND AN UNORTHODOX  
WELL LOCATION, LEA COUNTY, NEW MEXICO

CASE NO.

6451

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

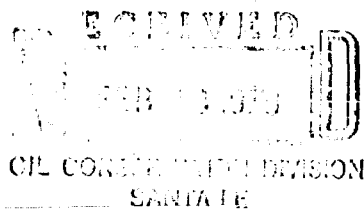
## BURLESON &amp; HUFF

OIL PROPERTIES

BOX 2479 - PHONE 683.4747

MIDLAND, TEXAS 79702

February 19, 1979



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

Attn: Dan Nutter

Re: *File*  
Case No. 6451

Dear Mr. Nutter:

Enclosed is the production history for our Coll A # 1 which came up during the hearing on the subject case. As you can see it is so small and the well has only produced 1720 MCF during it's five year life. I did not break this down by months as it averages only 29 MCF per month, or less than 1 MCF per day.

As requested during the hearing I am filing this day for a non-standard 160 acre unit on our Harrison Lease, being case # 6452.

Yours very truly,

  
Lewis B. Burleson

LBB/sw

Enc:

BURLESON & HUFF

COLL A # 1 Production History  
NE/4 Section 29, T-25-S, R-37-E,  
LEA COUNTY, NEW MEXICO

First Production December 1973

| <u>YEAR</u>      | <u>PRODUCTION</u> |
|------------------|-------------------|
| <u>1973</u>      | <u>33</u>         |
| 1974             | 412               |
| 1975             | 431               |
| 1976             | 472               |
| 1977             | 237               |
| 1978             | 121               |
| Jan. 1979        | <u>14</u>         |
| Total cumulative | 1720              |

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SANTA FE

Case No. 6451



BURLESON & HUFF

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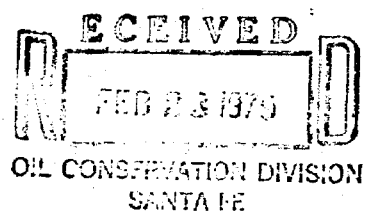
Case No. 6451

BURLESON & HUFF

COLL A # 1 Production History  
NE/4 Section 29, T-25-S, R-37-E,  
LEA COUNTY, NEW MEXICO

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Case No. 6451

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6451  
Order No. R-5969

APPLICATION OF BURLESON & HUFF FOR  
APPROVAL OF INFILL DRILLING AND AN  
UNORTHODOX WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of April, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Burleson & Huff, seeks a finding that the drilling of its proposed Coll A Well No. 2, at an unorthodox location 1980 feet from the North line and 330 feet from the East line of Section 29, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to the existing proration unit comprising the NE/4 of said Section 29, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well.

(3) That the standard spacing unit for the Jalmat Gas Pool is 640 acres.

(4) That the applicant further seeks a waiver of existing well spacing requirements for the Jalmat Gas Pool to permit the aforesaid well to be drilled at the proposed location.

-2-

Case No. 6451  
Order No. R-5969

(5) That the existing unit well, applicant's Coll A Well No. 1, located in Unit G of Section 29, is a very poor producer and has been such since its completion in December, 1976.

(6) That it is believed that there are substantial reserves of recoverable gas underlying the NE/4 of Section 29, and that these reserves cannot be economically recovered by the existing unit well, but that they might be recovered by applicant's proposed well.

(7) That approval of the infill drilling of applicant's proposed Coll A Well No. 2 at the proposed unorthodox location is in the interest of conservation, will prevent waste, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Burleson & Huff, is hereby authorized an exception to the well spacing requirements to drill an infill well, its Coll A Well No. 2 at a point 1980 feet from the North line and 330 feet from the East line of Section 29, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, the NE/4 of said Section 29 to be dedicated to the well.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

fd/



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
14 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Burleson & Huff for ) CASE  
approval of infill drilling and an ) 6451  
unorthodox well location, Lea County, )  
New Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

For the Applicant: Jason Kellahin, Esq.  
KELLAHIN & KELLAHIN  
500 Don Gaspar  
Santa Fe, New Mexico 87501

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I N D E X

LEWIS BURLESON

|                                      |    |
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| Direct Examination by Mr. Kellahin   | 3  |
| Cross Examination by Ms. Teschendorf | 8  |
| Cross Examination by Mr. Nutter      | 12 |
| Cross Examination by Mr. Ramey       | 14 |
| Recross Examination by Mr. Nutter    | 16 |

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| Applicant Exhibit Two, Plat     | 7 |
| Applicant Exhibit Three, Waiver | 7 |
| Applicant Exhibit Four, Waiver  | 7 |
| Applicant Exhibit Five, C-101   | 7 |
| Applicant Exhibit Six, History  | 7 |

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MR. NUTTER: Call next Case 6451.

MS. TESCHENDORF: Case 6451. Application of Burleson and Huff for approval of infill drilling and an unorthodox well location, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, appearing for the applicant, and we have one witness to be sworn.

(Witness sworn.)

LEWIS BURLESON

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you state your name, please?

A. Lewis Burleson.

Q. And what position do you hold, Mr. Burleson, in Burleson and Huff?

A. I'm the owner of Burleson and Huff.

Q. Have you ever testified before the Oil Conservation Division or any of its examiners?

A. Yes, I have.

Q. And made your qualifications a matter of record?

A. Yes, I have.

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1 MR. KELLAHIN: Are the witness' qualifications  
2 acceptable?

3 MR. NUTTER: Yes, they are.

4 Q (Mr. Kellahin continuing.) Mr. Burleson,  
5 what is proposed by Burleson and Huff in Case Number 6451?

6 A We propose to drill our Coll No. A-2 at an  
7 unorthodox location 330 from the east line, 1980 from the  
8 north line of Section 29, 25 South, 37 East, Lea County,  
9 New Mexico, as shown in Exhibit Number One, and this would  
10 be a replacement well for our Coll A No. 1, which is barely  
11 surviving right now, as I will later testify, or I will  
12 show in the Exhibit Six.

13 MR. NUTTER: What is the location of the  
14 No. 1, Mr. Burleson?

15 A It's 1980 from the north and the east of  
16 Section 29.

17 MR. NUTTER: And what acreage is dedicated  
18 to it?

19 A The northeast quarter of Section 29, 160  
20 acre tract is dedicated to this well.

21 MR. NUTTER: That's the outlined red area  
22 on Exhibit Number Two, is that right?

23 A Right.

24 MR. NUTTER: And Exhibit Number One.

25 A That is correct.

1 MR. NUTTER: Okay.

2 A Exhibit Number -- Number One is a plat of  
3 the area showing the 160-acre unit and our -- and our loca-  
4 tion 330 from the east, 1980 from the north.

5 Our Exhibit Number Two --

6 Q (Mr. Kellahin continuing.) That also shows  
7 the offsetting ownership, does it not?

8 A Right. Exhibit Number Two shows the offset  
9 ownership, being Burleson and Huff and to the north; to  
10 the northeast; and to the east; to the south and to the  
11 southwest; Bettis, Ball and Stovall (sic) to the west and  
12 northwest; and Atlantic Richfield Company to the south, to  
13 the southeast.

14 Q Now you have obtained waivers from those  
15 offsetting operators, have you not?

16 A Exhibit Number Three and Exhibit Number  
17 Four will be waivers from Bettis, Ball, and Stovall and  
18 Atlantic Richfield on our 330, No. 2 Coll Well.

19 Q Now referring to your Exhibit Number Five,  
20 would you identify that Exhibit, please?

21 A Number Five will be our application to drill,  
22 the C-101, with a plat showing the 330/1980 staking of this  
23 well.

24 Q And your Exhibit Number Six, will you identi-  
25 fy it?

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1 A... This would be the history of the Coll A No. 1  
2 starting in December of 1976, down to January of 1979.

3 The first column will be the bottom hole  
4 pressure. The second column would be the Mcf that this  
5 well has produced. The third column would be the gross  
6 runs. The fourth column would be the tax on this gas, and  
7 the fifth column would be the gross royalties that this  
8 well has made during this two-year period.

9 Q Now the Coll No. 1 is presently producing,  
10 is it not?

11 A Yes, this well in January of 1979, or last  
12 month, produced 14 Mcf.

13 Q And do you propose to do with it in the  
14 event your new location is approved?

15 A We will either plug this well within a two-  
16 month period or we will -- since the pipe for this well is  
17 set down in the Queen -- we will make a Langlie-Mattix  
18 well out of this and plug the Jalmat-Yates gas zone.

19 The working interest revenue for 1977 in  
20 this well was \$133; in 1978 was \$71.00.

21 Q In your opinion is the Yates No. 1 -- I mean  
22 the Coll No. 1 Well draining the unit, the 160-acre unit  
23 dedicated to it?

24 A No, it is not.

25 Q Is it capable of doing so?

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1 A. No, it is not.

2 Q Will a well located as you propose result  
3 in the production of gas that would not -- hydrocarbons  
4 that would not be recovered by any other well on that unit?

5 A. Right. I feel that we have to dig this new  
6 well to thoroughly drain this 160-acre unit.

7 I would like to make a comment there, back  
8 on our 330 location.

9 This well is in the Townsite of Jal and there  
10 are houses, if we pull this on a normal location 660, we  
11 would be drilling on top of an old Yates well, and we'll  
12 pull it over 330. If we go north of that, we are in where  
13 there are several houses and homes.

14 Q That's the reason for the unorthodox loca-  
15 tion?

16 A. Yes, sir.

17 Q And you are asking for the dedication of a  
18 nonstandard 160-acre unit.

19 A. That is correct.

20 Q Were Exhibits One through Six prepared by  
21 you or under your supervision?

22 A. Yes, they were.

23 MR. KELLAHIN: At this time we'll offer  
24 Exhibits One through Six, inclusive.

25 MR. NUTTER: Applicant's Exhibits One through

1 Six will be admitted in evidence.

2 Are there any questions of this witness?

3 Ms. Teschendorf?

4

5 CROSS EXAMINATION

6 BY MS. TESCHENDORF:

7 Q I just want to clarify a couple of points  
8 for the record.

9 This well has not been spudded yet, is that  
10 right?

11 A No. No, it has not.

12 Q Okay, and has your drilling permit been ap-  
13 proved?

14 A Yes, it has. It is Exhibit Number --

15 Q I don't have a signed copy of it.

16 A Well --

17 Q Could you tell me the date on which it was  
18 approved?

19 A No, it is not approved, because this is a  
20 330 location, I'm sorry, and it's being held for this  
21 hearing.

22 Q Right.

23 A This is our application for that, but it's  
24 being held for this hearing.

25 Q So if your permit is approved it will be after

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1 the January 1st date that the regs set out.

2 A Yes, it would.

3 Q Have you made any calculations as to an in-  
4 crease in ultimate reserves under this proration unit if  
5 you drill a second well?

6 A No, I have not.

7 Q In your opinion will ultimate reserves be  
8 substantially increased by the drilling of this well?

9 A Yes, they would.

10 Yes, because the present well is at or below  
11 the economic limits.

12 Q And you feel that there are still substantial  
13 reserves of gas there that can be recovered?

14 A Right. That is correct.

15 Q Okay. This is a nonstandard unit. Was this  
16 nonstandard unit previously approved?

17 A Yes, ma'am.

18 Q Do you know when? Was it when the first  
19 well was drilled?

20 A Right, when our Coll No. A-1 was put on-  
21 stream. I may have that date. I can give it to you. I'll  
22 have to look for it.

23 Q Well, just so we know it was previously  
24 approved.

25 A Yes, it was.

1 Q Okay. I'd like to get into why your Coll  
2 A No. 1 has become such a poor producer, or was it always  
3 a poor producer?

4 A It's always been a poor producer. This was  
5 a re-entry of an old R. Olson well in which they had at-  
6 tempted to complete in the Yates and we tried to isolate  
7 a zone below their perforations, and when we fraced that  
8 we did go ahead and communicate with this other zone, so  
9 this well never has been a good well at all.

10 Q What's the nature of the reservoir in this  
11 area?

12 A Now, this is one of the highest points  
13 structurally in the Yates in Lea County, and it has some  
14 major problems due to poor plugging wells in past history.  
15 Being, one, if you notice on the one plat, in the center  
16 of that 160-acre unit there's a well there, and it's the  
17 old Texaco Leanheart No. 1, which produced a fabulous amount  
18 of gas, and I think it was plugged in the early '40s, and  
19 we're getting water in the Yates formation at this high  
20 structural level, which shouldn't be in there.

21 Q What formation was the Texaco well producing  
22 from?

23 A From the Yates.

24 Now, the -- I didn't put a number on it, but  
25 the well that is located 660 from the east, 1980 from the

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1 north, this was the old Anderson-Pritchard Coll No. 1,  
2 which was a Devonian well, and Burleson and Huff re-entered  
3 it and got water in the Yates, but we had a shut-in pressure  
4 of 800 pounds, and at that time we didn't think it was  
5 economic to produce this well with the water in it.

6 Now I think if we get the water in our No. 2,  
7 that it is economic to produce that, that zone.

8 Q What about the Olson well that's on here?

9 A To the north?

10 Q Yeah.

11 A This is a well that was drilled in the '50s  
12 and tested the Queen and never perforated the Yates sand.

13 Q What about this well that looks like it's --

14 A 660?

15 Q -- 660 from the --

16 A All right, that's the Anderson-Pritchard  
17 Coll No. 1, which was a Devonian well, and Burleson and  
18 Huff re-entered that well in 1970 and perforated the Yates  
19 and got gas with water in it, and at that time with the  
20 price of gas, we plugged that well, as being noncommercial.

21 Q It looks like there have been a number of  
22 wells on this unit that have produced from the Jalmat over  
23 the years.

24 A Two wells.

25 Q Two wells.



1 A. The Texaco well in the center of the unit  
2 and the Coll A No. 1.

3 Q Uh-huh. And also the Anderson-Pritchard  
4 well.

5 A. Was a Devonian well.

6 Q A Devonian well but I understand you plugged  
7 it back.

8 A. But we plugged it back.

9 Q So it also produced.

10 A. Well, it just had some -- we never did --  
11 we never completed this well, so I'd have to say it did not.

12  
13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Burleson, the well that's in the north-  
16 west quarter of this quarter section is the old Queen well?

17 A. Yes. Well, it did -- they plugged this  
18 well. It did make a little bit of oil in the Queen.

19 Q Did it ever -- was it ever completed in the  
20 Yates or in one of the Jalmat gas zones?

21 A. No, it was not.

22 Q Now, when you completed your Coll A No. 1  
23 in the Yates, when you recompleted it, when was that?

24 A. I can't give you -- I would say in 1971.  
25 I didn't bring that -- that completion file with me.

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1 Q I would like a little production history on  
2 that well, if you please. We've got production starting  
3 with December of 1976, but at that time it was making 1 Mcf  
4 per day, and I just wondered what the history was prior to  
5 that time.

6 A All right, I'll be -- I'll have to say that  
7 when we completed this well, we completed and it was making,  
8 say, 2 Mcf a day.

9 El Paso had a line in there and took it.  
10 This is a fee lease, so we completed it and we were able to  
11 hold that 160 acres with this, and it is a marginal well.  
12 It always has been a marginal well.

13 Q The best production you ever got from it  
14 was a couple of Mcf a day?

15 A That's right, and they had -- right by this  
16 they had a low pressure line of twelve pounds and they  
17 could take the gas.

18 Q And according, then, to Exhibit Number Six  
19 it has declined now to where you make about 1/2 an Mcf per  
20 day.

21 A That is right.

22 Q Do you know what your cumulative gas production  
23 has been from the well?

24 A I do not have that figure.

25 Q That's a matter -- you have filed it with the

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1 Commission.

2 A. Right.

3 Q. And we'll take administrative notice of our  
4 records there, just establish how much cumulative production  
5 has been from the well since it was recompleted.

6 MR. NUTTER: Mr. Ramey, did you have any  
7 questions?

8 MR. RAMEY: Yes, let me ask a few.

10 CROSS EXAMINATION

11 BY MR. RAMEY:

12 Q. Mr. Burleson, I notice your -- your income  
13 for your working interest net revenue was \$133.74 in '77  
14 with operating costs of \$63.10, so you made about \$70.00  
15 on the well that year?

16 A. That is correct.

17 Q. And then in '78, why you lost about \$6.50,  
18 your operating cost was more than --

19 A. That's correct. You know, in October and  
20 November was in the period that we lost, you know, but for  
21 the average that year, yes, we did.

22 Q. Okay, on your perforating the old Union  
23 Texas well, which is probably 330 feet west of your proposed  
24 location, is that not right?

25 A. Right.

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1 Q You say you encountered a bottom hole pressure  
2 about 800 pounds?

3 A Yes, we did.

4 Q With gas?

5 A With gas and some water.

6 Q And some water, so you would anticipate, I  
7 would assume, at your new location that you would -- you  
8 would hit a comparable zone.

9 A Right. I would think that we -- there are  
10 gas reserves there, and with the price of gas, we can afford  
11 to lift that water that is in there.

12 Q So you would anticipate getting, for this,  
13 in comparison to your Coll A No. 1, why you would anticipate  
14 getting a high pressure well.

15 A Right, that would be correct.

16 Q So therefore there are reserves in -- at  
17 least in the southeast quarter of this quarter section.

18 A That would be correct.

19 Q What about offset gas production? What kind  
20 of -- I notice you seem to operate wells on the north and  
21 on the south.

22 A All right, on the south would be Burleson and  
23 Huff Gupman No. 1, and that well produces -- I happen to  
24 have the production.

25 In November of last year the -- let me find

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1 it. The Gupman produced 2703 at 14.73 Mcf for the month.

2 The Leonard No. 1, which would be the offset  
3 unit to the north, is a marginal well. It produced 1243  
4 Mcf at 14.73 pressure base.

5 Q What -- is that a month's production?

6 A Yes, sir, it would be for the month of  
7 November. Do you want the others?

8 The Sanders Estate, which would be the east  
9 offset unit, produced -- would be our best well -- that  
10 produced 9036 Mcf for the month of November.

11 Q I think that's enough. So, in essence, you  
12 have good production to the south and to the east and  
13 better production to the north, and so it appears that your  
14 Coll A No. 1 is an anomaly in a pretty good producing area,  
15 compared to the other wells.

16 A Yes, sir, it is.

17 Q Okay, thank you.

18 MR. NUTTER: Okay, one more question, Mr.  
19 Burleson.

20  
21 RE CROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Why was the Texaco well abandoned if it was  
24 a fabulous well?

25 A I think because we're in a real tough

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1 geological area in here and I don't -- but they open holed --  
2 in fact, I understand this well produced most of the gas  
3 that went into the line from Jal to El Paso for two or  
4 three years, and they pulled the bottom hole pressure down  
5 enough in the Yates, so they brought the Seven Rivers Reef  
6 water, and I think they have a patch reef setting in this  
7 area, because we're on the Crosby Deep structure, and our  
8 Sanders Well to the east produces Yates at 2200 feet, so  
9 you can see how much higher it is than the normal production  
10 at 3000, and we are making water at 2200 feet on our Sanders  
11 No. 2, because, I think, this reef water out of the Seven  
12 Rivers has come into the Yates through those bore holes,  
13 which there is about ten out there.

14 Q And --

15 A So they -- I think the water got to them  
16 that -- and they didn't know what, you know -- you would  
17 assume that the well really watered out.

18 Q Was the recompletion attempt made on the  
19 old Anderson-Pritchard Devonian well when they recompleated  
20 in the Yates and got water, was this made after Texaco had  
21 plugged that other well?

22 A Plugged that well, yes, sir. I think  
23 Texaco plugged that well in '60, or in the '50s, and we  
24 did this attempt on the Devonian well in the '70s, '71.

25 Q So if water was in the Seven Rivers and had

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1 migrated into the Yates, it was present there.

2 A Well, our Sanders No. 1 Well, which has been  
3 temporarily abandoned, this is the east offset to this well.  
4 It had been temporarily abandoned because we -- we opened  
5 that well -- that used to be a TP well and we opened it  
6 back up and had an allowable well. In fact, it was -- when  
7 TP abandoned it, it was making water and no gas, and we  
8 re-entered and cleaned out and we potentialized that well for  
9 14-million with no water.

10 Then, as we pulled the bottom hole pressure  
11 down in the Yates, here came the Seven Rivers water, and  
12 we had to temporarily abandon that well.

13 Q And then you recompleted your No. 2 Well  
14 east of it.

15 A Yes, sir. And now it's strange, just on the  
16 west side of the structure you get water in the Yates; on  
17 the east side you do not.

18 Q Okay.

19 MR. NUTTER: Are there any further questions  
20 of Mr. Burleson? He may be excused.

21 Do you have anything further, Mr. Kellahin?

22 MR. KELLAHIN: No, I don't, Mr. Nutter, thank  
23 you.

24 MR. NUTTER: Does anyone have anything they  
25 wish to offer in Case Number 6451? Take the case under ad-  
visement. (Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY  
 CERTIFY that the foregoing and attached Transcript of  
 Hearing before the Oil Conservation Division 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, knowledge and skill, from my notes taken at the  
 time of the hearing.

Sally W. Boyd CSR  
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
 a complete and true transcript of the proceedings in  
 the Examination of Case No. 6451  
 heard by me on 2/14 1977.  
[Signature], Examiner  
 Oil Conservation Division

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
14 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Burleson & Huff for ) CASE  
approval of infill drilling and an ) 6451  
unorthodox well location, Lea County, )  
New Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87503

For the Applicant:

Jason Kellahin, Esq.  
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## I N D E X

## LEWIS BURLESON

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## E X H I B I T S

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MR. NUTTER: Call next Case 6451.

MS. TRESCHENDORF: Case 6451. Application of Burleson and Huff for approval of infill drilling and an unorthodox well location, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, appearing for the applicant, and we have one witness to be sworn.

(Witness sworn.)

LEWIS BURLESON

Being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Lewis Burleson.

Q And what position do you hold, Mr. Burleson, in Burleson and Huff?

A I'm the owner of Burleson and Huff.

Q Have you ever testified before the Oil Conservation Division or any of its examiners?

A Yes, I have.

Q And made your qualifications a matter of record?

A Yes, I have.

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1 MR. KELLAHIN: Are the witness' qualifications  
2 acceptable?

3 MR. NUTTER: Yes, they are.

4 Q (Mr. Kellahin continuing.) Mr. Burleson,  
5 what is proposed by Burleson and Huff in Case Number 6451?

6 A We propose to drill our Coll No. A-2 at an  
7 unorthodox location 330 from the east line, 1980 from the  
8 north line of Section 29, 25 South, 37 East, Lea County,  
9 New Mexico, as shown in Exhibit Number One, and this would  
10 be a replacement well for our Coll A No. 1, which is barely  
11 surviving right now, as I will later testify, or I will  
12 show in the Exhibit Six.

13 MR. NUTTER: What is the location of the  
14 No. 1, Mr. Burleson?

15 A It's 1980 from the north and the east of  
16 Section 29.

17 MR. NUTTER: And what acreage is dedicated  
18 to it?

19 A The northeast quarter of Section 29, 160  
20 acre tract is dedicated to this well.

21 MR. NUTTER: That's the outlined red area  
22 on Exhibit Number Two, is that right?

23 A Right.

24 MR. NUTTER: And Exhibit Number One.

25 A That is correct.

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1 MR. NUTTER: Okay.

2 A Exhibit Number -- Number One is a plat of  
3 the area showing the 160-acre unit and our -- and our loca-  
4 tion 330 from the east, 1980 from the north.

5 Our Exhibit Number Two --

6 Q (Mr. Kellahin continuing.) That also shows  
7 the offsetting ownership, does it not?

8 A Right. Exhibit Number Two shows the offset  
9 ownership, being Burleson and Huff and to the north; to  
10 the northeast; and to the east; to the south and to the  
11 southwest; Bettis, Ball and Stovall (sic) to the west and  
12 northwest; and Atlantic Richfield Company to the south, to  
13 the southeast.

14 Q Now you have obtained waivers from those  
15 offsetting operators, have you not?

16 A Exhibit Number Three and Exhibit Number  
17 Four will be waivers from Bettis, Ball, and Stovall and  
18 Atlantic Richfield on our 330, No. 2 Coll Well.

19 Q Now referring to your Exhibit Number Five,  
20 would you identify that Exhibit, please?

21 A Number Five will be our application to drill,  
22 the C-101, with a plat showing the 330/1980 staking of this  
23 well.

24 Q And your Exhibit Number Six, will you identi-  
25 fy it?

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1 A This would be the history of the Coll A No. 1  
2 starting in December of 1976, down to January of 1979.

3 The first column will be the bottom hole  
4 pressure. The second column would be the Mcf that this  
5 well has produced. The third column would be the gross  
6 runs. The fourth column would be the tax on this gas, and  
7 the fifth column would be the gross royalties that this  
8 well has made during this two-year period.

9 Q Now the Coll No. 1 is presently producing,  
10 is it not?

11 A Yes, this well in January of 1979, or last  
12 month, produced 14 Mcf.

13 Q And do you propose to do with it in the  
14 event your new location is approved?

15 A We will either plug this well within a two-  
16 month period or we will -- since the pipe for this well is  
17 set down in the Queen -- we will make a Langlie-Mattix  
18 well out of this and plug the Jalmat-Yates gas zone.

19 The working interest revenue for 1977 in  
20 this well was \$133; in 1978 was \$71.00.

21 Q In your opinion is the Yates No. 1 -- I mean  
22 the Coll No. 1 Well draining the unit, the 160-acre unit  
23 dedicated to it?

24 A No, it is not.

25 Q Is it capable of doing so?

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1 A No, it is not.

2 Q Will a well located as you propose result  
3 in the production of gas that would not -- hydrocarbons  
4 that would not be recovered by any other well on that unit?

5 A Right. I feel that we have to dig this new  
6 well to thoroughly drain this 160-acre unit.

7 I would like to make a comment there, back  
8 on our 330 location.

9 This well is in the Townsite of Jal and there  
10 are houses, if we pull this on a normal location 660, we  
11 would be drilling on top of an old Yates well, and we'll  
12 pull it over 330. If we go north of that, we are in where  
13 there are several houses and homes.

14 Q That's the reason for the unorthodox loca-  
15 tion?

16 A Yes, sir.

17 Q And you are asking for the dedication of a  
18 nonstandard 160-acre unit.

19 A That is correct.

20 Q Were Exhibits One through Six prepared by  
21 you or under your supervision?

22 A Yes, they were.

23 MR. KELLAHIN: At this time we'll offer  
24 Exhibits One through Six, inclusive.

25 MR. NUTTER: Applicant's Exhibits One through

Six will be admitted in evidence.

Are there any questions of this witness?

Ms. Teschendorf?

CROSS EXAMINATION

BY MS. TESCHENDORF:

Q I just want to clarify a couple of points for the record.

This well has not been spudded yet, is that right?

A No. No, it has not.

Q Okay, and has your drilling permit been approved?

A Yes, it has. It is Exhibit Number --

Q I don't have a signed copy of it.

A Well --

Q Could you tell me the date on which it was approved?

A No, it is not approved, because this is a 330 location, I'm sorry, and it's being held for this hearing.

Q Right.

A This is our application for that, but it's being held for this hearing.

Q So if your permit is approved it will be after

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1 the January 1st date that the regs set out.

2 A Yes, it would.

3 Q Have you made any calculations as to an in-  
4 crease in ultimate reserves under this proration unit if  
5 you drill a second well?

6 A No, I have not.

7 Q In your opinion will ultimate reserves be  
8 substantially increased by the drilling of this well?

9 A Yes, they would.

10 Yes, because the present well is at or below  
11 the economic limits.

12 Q And you feel that there are still substantial  
13 reserves of gas there that can be recovered?

14 A Right. That is correct.

15 Q Okay. This is a nonstandard unit. Was this  
16 nonstandard unit previously approved?

17 A Yes, ma'am.

18 Q Do you know when? Was it when the first  
19 well was drilled?

20 A Right, when our Coll No. A-1 was put on-  
21 stream. I may have that date. I can give it to you. I'll  
22 have to look for it.

23 Q Well, just so we know it was previously  
24 approved.

25 A Yes, it was.

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1 Q Okay. I'd like to get into why your Coll  
2 A No. 1 has become such a poor producer, or was it always  
3 a poor producer?

4 A It's always been a poor producer. This was  
5 a re-entry of an old R. Olson well in which they had at-  
6 tempted to complete in the Yates and we tried to isolate  
7 a zone below their perforations, and when we fraced that  
8 we did go ahead and communicate with this other zone, so  
9 this well never has been a good well at all.

10 Q What's the nature of the reservoir in this  
11 area?

12 A Now, this is one of the highest points  
13 structurally in the Yates in Lea County, and it has some  
14 major problems due to poor plugging wells in past history.  
15 Being, one, if you notice on the one plat, in the center  
16 of that 160-acre unit there's a well there, and it's the  
17 old Texaco Leanheart No. 1, which produced a fabulous amount  
18 of gas, and I think it was plugged in the early '40s, and  
19 we're getting water in the Yates formation at this high  
20 structural level, which shouldn't be in there.

21 Q What formation was the Texaco well producing  
22 from?

23 A From the Yates.

24 Now, the -- I didn't put a number on it, but  
25 the well that is located 660 from the east, 1980 from the

1 north, this was the old Anderson-Pritchard Coll No. 1,  
2 which was a Devonian well, and Burleson and Huff re-entered  
3 it and got water in the Yates, but we had a shut-in pressure  
4 of 800 pounds, and at that time we didn't think it was  
5 economic to produce this well with the water in it.

6 Now I think if we get the water in our No. 2,  
7 that it is economic to produce that, that zone.

8 Q What about the Olson well that's on here?

9 A To the north?

10 Q Yeah.

11 A This is a well that was drilled in the '50s  
12 and tested the Queen and never perforated the Yates sand.

13 Q What about this well that looks like it's --

14 A 660?

15 Q -- 660 from the --

16 A All right, that's the Anderson-Pritchard  
17 Coll No. 1, which was a Devonian well, and Burleson and  
18 Huff re-entered that well in 1970 and perforated the Yates  
19 and got gas with water in it, and at that time with the  
20 price of gas, we plugged that well, as being noncommercial.

21 Q It looks like there have been a number of  
22 wells on this unit that have produced from the Jalmat over  
23 the years.

24 A Two wells.

25 Q Two wells.

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1 A The Texaco well in the center of the unit  
2 and the Coll A No. 1.

3 Q Uh-huh. And also the Anderson-Pritchard  
4 well.

5 A Was a Devonian well.

6 Q A Devonian well but I understand you plugged  
7 it back.

8 A But we plugged it back.

9 Q So it also produced.

10 A Well, it just had some -- we never did --  
11 we never completed this well, so I'd have to say it did not.

12  
13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Burleson, the well that's in the north-  
16 west quarter of this quarter section is the old Queen well?

17 A Yes. Well, it did -- they plugged this  
18 well. It did make a little bit of oil in the Queen.

19 Q Did it ever -- was it ever completed in the  
20 Yates or in one of the Jalmat gas zones?

21 A No, it was not.

22 Q Now, when you completed your Coll A No. 1  
23 in the Yates, when you recompleted it, when was that?

24 A I can't give you -- I would say in 1971.  
25 I didn't bring that -- that completion file with me.

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1 Q I would like a little production history on  
2 that well, if you please. We've got production starting  
3 with December of 1976, but at that time it was making 1 Mcf  
4 per day, and I just wondered what the history was prior to  
5 that time.

6 A All right, I'll be -- I'll have to say that  
7 when we completed this well, we completed and it was making,  
8 say, 2 Mcf a day.

9 El Paso had a line in there and took it.  
10 This is a fee lease, so we completed it and we were able to  
11 hold that 160 acres with this, and it is a marginal well.  
12 It always has been a marginal well.

13 Q The best production you ever got from it  
14 was a couple of Mcf a day?

15 A That's right, and they had -- right by this  
16 they had a low pressure line of twelve pounds and they  
17 could take the gas.

18 Q And according, then, to Exhibit Number Six  
19 it has declined now to where you make about 1/2 an Mcf per  
20 day.

21 A That is right.

22 Q Do you know what your cumulative gas production  
23 has been from the well?

24 A I do not have that figure.

25 Q That's a matter -- you have filed it with the

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1 Commission.

2 A Right.

3 Q And we'll take administrative notice of our  
4 records there, just establish how much cumulative production  
5 has been from the well since it was recompleted.

6 MR. NUTTER: Mr. Ramey, did you have any  
7 questions?

8 MR. RAMEY: Yes, let me ask a few.

9  
10 CROSS EXAMINATION

11 BY MR. RAMEY:

12 Q Mr. Burleson, I notice your -- your income  
13 for your working interest net revenue was \$133.74 in '77  
14 with operating costs of \$63.10, so you made about \$70.00  
15 on the well that year?

16 A That is correct.

17 Q And then in '78, why you lost about \$6.50,  
18 your operating cost was more than --

19 A That's correct. You know, in October and  
20 November was in the period that we lost, you know, but for  
21 the average that year, yes, we did.

22 Q Okay, on your perforating the old Union  
23 Texas well, which is probably 330 feet west of your proposed  
24 location, is that not right?

25 A Right.

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1 Q You say you encountered a bottom hole pressure  
2 about 800 pounds?

3 A Yes, we did.

4 Q With gas?

5 A With gas and some water.

6 Q And some water, so you would anticipate, I  
7 would assume, at your new location that you would -- you  
8 would hit a comparable zone.

9 A Right. I would think that we -- there are  
10 gas reserves there, and with the price of gas, we can afford  
11 to lift that water that is in there.

12 Q So you would anticipate getting, for this,  
13 in comparison to your Coll A No. 1, why you would anticipate  
14 getting a high pressure well.

15 A Right, that would be correct.

16 Q So therefore there are reserves in -- at  
17 least in the southeast quarter of this quarter section.

18 A That would be correct.

19 Q What about offset gas production? What kind  
20 of -- I notice you seem to operate wells on the north and  
21 on the south.

22 A All right, on the south would be Burleson and  
23 Huff Gupman No. 1, and that well produces -- I happen to  
24 have the production.

25 In November of last year the -- let me find

1 it. The Gupman produced 2703 at 14.73 Mcf for the month.

2 The Leonard No. 1, which would be the offset  
3 unit to the north, is a marginal well. It produced 1243  
4 Mcf at 14.73 pressure base.

5 Q What -- is that a month's production?

6 A Yes, sir, it would be for the month of  
7 November. Do you want the others?

8 The Sanders Estate, which would be the east  
9 offset unit, produced -- would be our best well -- that  
10 produced 9036 Mcf for the month of November.

11 Q I think that's enough. So, in essence, you  
12 have good production to the south and to the east and  
13 better production to the north, and so it appears that your  
14 Coll A No. 1 is an anomaly in a pretty good producing area,  
15 compared to the other wells.

16 A Yes, sir, it is.

17 Q Okay, thank you.

18 MR. NUTTER: Okay, one more question, Mr.  
19 Burleson.

20  
21 RECROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Why was the Texaco well abandoned if it was  
24 a fabulous well?

25 A I think because we're in a real tough

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1 geological area in here and I don't -- but they open holed --  
2 in fact, I understand this well produced most of the gas  
3 that went into the line from Jal to El Paso for two or  
4 three years, and they pulled the bottom hole pressure down  
5 enough in the Yates, so they brought the Seven Rivers Reef  
6 water, and I think they have a patch reef setting in this  
7 area, because we're on the Crosby Deep structure, and our  
8 Sanders Well to the east produces Yates at 2200 feet, so  
9 you can see how much higher it is than the normal production  
10 at 3000, and we are making water at 2200 feet on our Sanders  
11 No. 2, because, I think, this reef water out of the Seven  
12 Rivers has come into the Yates through those bore holes,  
13 which there is about ten out there.

14 Q And --

15 A So they -- I think the water got to them  
16 that -- and they didn't know what, you know -- you would  
17 assume that the well really watered out.

18 Q Was the recompletion attempt made on the  
19 old Anderson-Pritchard Devonian well when they recompleted  
20 in the Yates and got water, was this made after Texaco had  
21 plugged that other well?

22 A Plugged that well, yes, sir. I think  
23 Texaco plugged that well in '60, or in the '50s, and we  
24 did this attempt on the Devonian well in the '70s, '71.

25 Q So if water was in the Seven Rivers and had

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1 migrated into the Yates, it was present there.

2 A Well, our Sanders No. 1 Well, which has been  
3 temporarily abandoned, this is the east offset to this well.  
4 It had been temporarily abandoned because we -- we opened  
5 that well -- that used to be a TP well and we opened it  
6 back up and had an allowable well. In fact, it was -- when  
7 TP abandoned it, it was making water and no gas, and we  
8 re-entered and cleaned out and we potentialized that well for  
9 14-million with no water.

10 Then, as we pulled the bottom hole pressure  
11 down in the Yates, here came the Seven Rivers water, and  
12 we had to temporarily abandon that well.

13 Q And then you recompleted your No. 2 Well  
14 east of it.

15 A Yes, sir. And now it's strange, just on the  
16 west side of the structure you get water in the Yates; on  
17 the east side you do not.

18 Q Okay.

19 MR. NUTTER: Are there any further questions  
20 of Mr. Burleson? He may be excused.

21 Do you have anything further, Mr. Kellahin?

22 MR. KELLAHIN: No, I don't, Mr. Nutter, thank  
23 you.


24 MR. NUTTER: Does anyone have anything they  
25 wish to offer in Case Number 6451? Take the case under ad-  
visement. (Hearing concluded.)

## REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division 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, knowledge and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

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I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the Examiner hearing of Case No. 6451  
heard by me on 7/14 1979.  
, Examiner  
Oil Conservation Division

Dockets Nos. 7-79 and 8-79 are tentatively set for hearing on February 28 and March 14, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 14, 1979

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for March, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
  - (3) Consideration of purchaser's nominations for the one year period beginning April 1, 1979, for both of the above areas.

CASE 6445: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Consolidated Minerals Development Corporation, American Surety Company, and all other interested parties to appear and show cause why the Sarah "S" Well No. 1 located in Unit J of Section 26, Township 31 North, Range 23 East, Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6446: Application of Flag-Redfern Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4,969 feet to 4,984 feet in its Santa Fe Well No. 2 located in Unit D of Section 35, Township 10 South, Range 36 East, Dickinson-San Andres Pool, Lea County, New Mexico.

CASE 6447: Application of Atlantic Richfield Company for approval of infill drilling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its J. R. Phillips "B" Well No. 6 to be located at an unorthodox location 990 feet from the North line and 1650 feet from the West line of Section 31, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit which cannot be so drained by the existing unit well.

CASE 6448: Application of Sam H. Snoddy for amendment of Order No. R-5521, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5521 to change the 160-acre non-standard proration unit to a 320-acre non-standard proration unit comprising the SW/4 of Section 25 and the NW/4 of Section 36, both in Township 20 South, Range 32 East, South Salt Lake Field, Lea County, New Mexico.

CASE 6449: Application of The Superior Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Strawn and Morrow production in the wellbore of its Ryan Com. Well No. 1 located in Unit D of Section 5, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico.

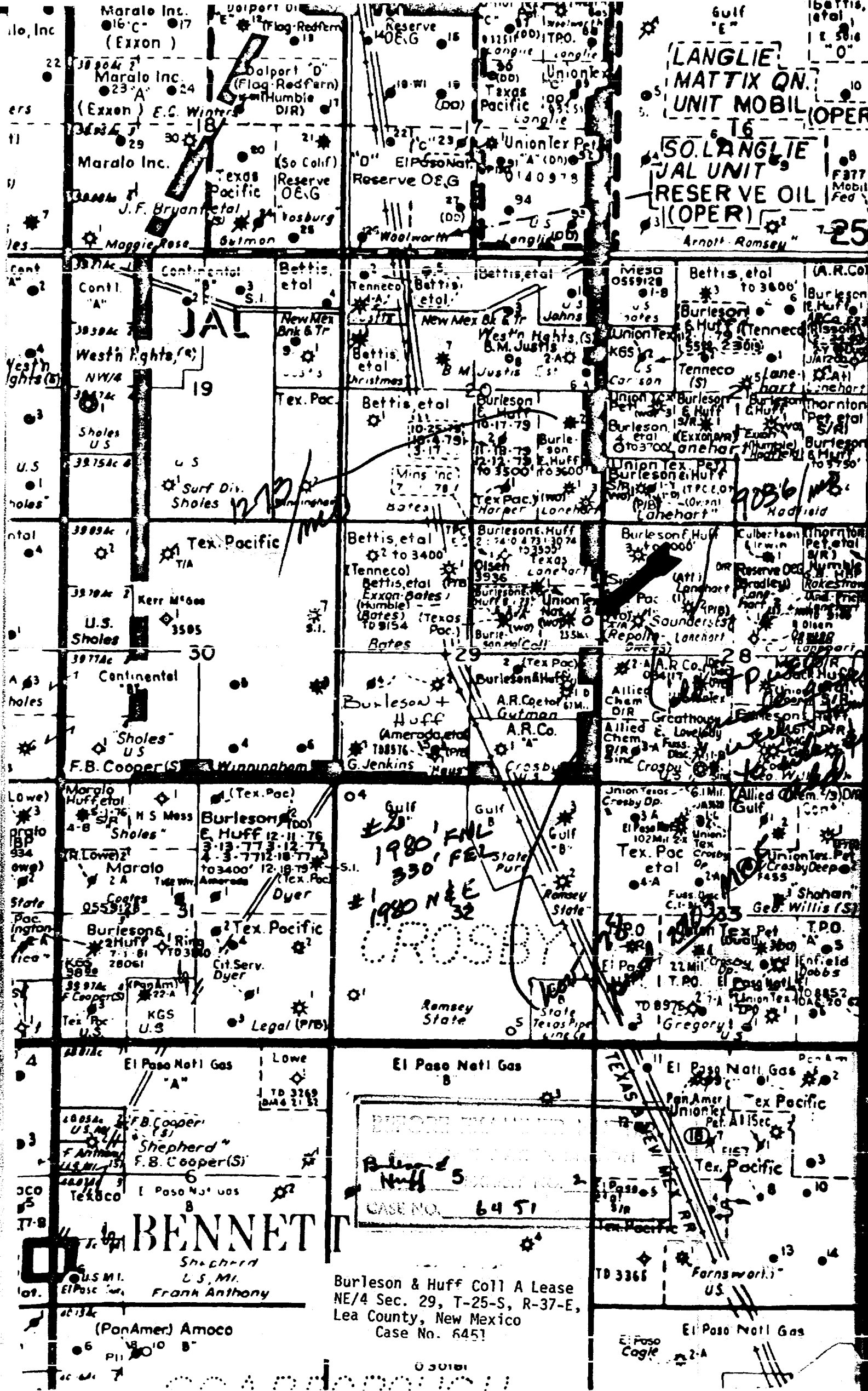
CASE 6450: Application of Sun Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Millman Pool Unit Area comprising 920 acres, more or less, of Federal and state lands in Township 19 South, Range 28 East, Eddy County, New Mexico.

CASE 6451: Application of Burleson & Huff for approval of infill drilling and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Coll A Well No. 2 to be located at an unorthodox location 1980 feet from the North line and 330 feet from the East line of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit which cannot be so drained by the existing unit well.

CASE 6452: Application of Burleson & Huff for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the recompletion of its Harrison Well No. 2 located in Unit N or, in the alternative, the drilling of its Harrison Well No. 4 to be located in Unit L, both in Section 25, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the previously approved 160-acre non-standard proration unit which cannot be so drained by the existing unit well.

CASE 6453: Application of Moranco for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Drinkard production in the wellbore of its EM Elliott Well No. 1 located in Unit E of Section 35, Township 21 South, Range 37 East, Lea County, New Mexico.





January 10, 1979

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Burleson & Huff of Midland, Texas Has notified us they propose to drill a well to test the Yates formation at a depth of 3100 feet at a location shown on the enclosed plat, being 330 feet from the east line and 1980 feet from the north line of Section 29, T-25-S, R-37-E, Lea County. This well's location is in violation of the rules because it is located 330 feet from the lease line. This location was moved to this spot because it is in the townsite of Jal, New Mexico and this moves it further away from adjacent structures. There is an old plugged well at the standard location.

This is to certify that Bettis, Boyle & Stovall, as an off-set operator, hereby waives their rights to object and has no objection to the proposed location in the event the Burleson & Huff Coll A # 2 is a gas well in the Yates formation.

Yours very truly,

BETTIS, BOYLE & STOVALL

By

*H. M. Bettis* COOWNER

|                            |                      |
|----------------------------|----------------------|
| BEFORE EXAMINER NUTTER     |                      |
| OIL CONSERVATION DIVISION  |                      |
| <i>Burleson &amp; Huff</i> | EXHIBIT NO. <u>3</u> |
| CASE NO.                   | <u>6451</u>          |

January 10, 1979

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Burleson & Huff of Midland, Texas has notified us they propose to drill a well to test the Yates formation at a depth of 3100 feet at a location shown on the enclosed plat, being 330 feet from the east line and 1980 feet from the north line of Section 29, T-25-S, R-37-E, Lea County. This well's location is in violation of the rules because it is located 330 feet from the lease line. This location was moved to this spot because it is in the townsite of Jal, New Mexico and this moves it further away from adjacent structures. There is an old plugged well at the standard location.

This is to certify that Atlantic Richfield Company, as an off-set operator hereby waives their rights to object and has no objection to the proposed location in the event the Burleson & Huff Coll A # 2 is a gas well in the Yates formation.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

By J. F. Huff

|                            |                      |
|----------------------------|----------------------|
| BEFORE EXAMINER NUTTER     |                      |
| OIL CONSERVATION DIVISION  |                      |
| <u>Burleson &amp; Huff</u> | EXHIBIT NO. <u>4</u> |
| CASE NO. <u>6951</u>       |                      |



|                    |  |  |
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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease  
STATE ☐ FEE ☒  
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                                                                                              |                                             |                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------|
| 1a. Type of Work<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>                                                                             |                                             | 7. Unit Agreement Name                   |
| b. Type of Well<br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |                                             | 8. Farm or Lease Name<br>Coll A          |
| 2. Name of Operator<br>Burleson & Huff                                                                                                                                                                       |                                             | 9. Well No.<br>2                         |
| 3. Address of Operator<br>Box 2479, Midland, Texas 79702                                                                                                                                                     |                                             | 10. Field and Pool, or Wildcat<br>Jalmat |
| 4. Location of Well<br>UNIT LETTER H LOCATED 330 FEET FROM THE east LINE<br>AND 1980 FEET FROM THE north LINE OF SEC. 29 TWP. 25-S RGE. 37-E NMPM                                                            |                                             | 12. County<br>Lea                        |
| 19. Proposed Depth<br>3200                                                                                                                                                                                   |                                             | 19A. Formation<br>Yates-Seven Rivers     |
| 20. Rotary or C.T.<br>Rotary                                                                                                                                                                                 |                                             |                                          |
| 21. Elevations (Show whether DF, RT, etc.)<br>3020.6 - GR                                                                                                                                                    | 21A. Kind & Status Plug. Bond<br>State-wide | 21B. Drilling Contractor<br>Su-Marr      |
| 22. Approx. Date Work will start<br>2-22-79                                                                                                                                                                  |                                             |                                          |

23.

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP           |
|--------------|----------------|-----------------|---------------|-----------------|--------------------|
| 13-3/4       | 8-5/8"         | 23.0            | 950           | 500             | circulated         |
| 7-7/8        | 4-1/2          | 10.5            | 3200          | 400             | above base of salt |

Drill to anhydrite & set 8-5/8" and circulate cement to surface. Test pipe and drill out with Shaeffer Blow Out Preventer, 600 Series, 5000# test, 3000# working pressure. Drill to TD and run 4-1/2" pipe cemented above base of salt. Perforate, frac and complete in Jalmat Gas Pool.

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
Burleson & Huff EXHIBIT NO. 5  
CASE NO. 6451

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed \_\_\_\_\_ Title \_\_\_\_\_ Owner \_\_\_\_\_ Date January 10, 1979

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-101  
Supersedes O-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

|                                                                                                 |                           |                   |                 |                |                              |            |  |
|-------------------------------------------------------------------------------------------------|---------------------------|-------------------|-----------------|----------------|------------------------------|------------|--|
| Burleson & Huff                                                                                 |                           |                   |                 | Lease Coll "A" |                              | Well No. 2 |  |
| Section H                                                                                       | Section 29                | Township 25 South | Range 37 East   | County Lea     |                              |            |  |
| Actual Point Location of Well:<br>1980 feet from the North line and 330 feet from the East line |                           |                   |                 |                |                              |            |  |
| Ground Level Elev. 3020.6                                                                       | Producing Formation Yates |                   | Pool Jalmat Gas |                | Dedicated Acreage: 160 Acres |            |  |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

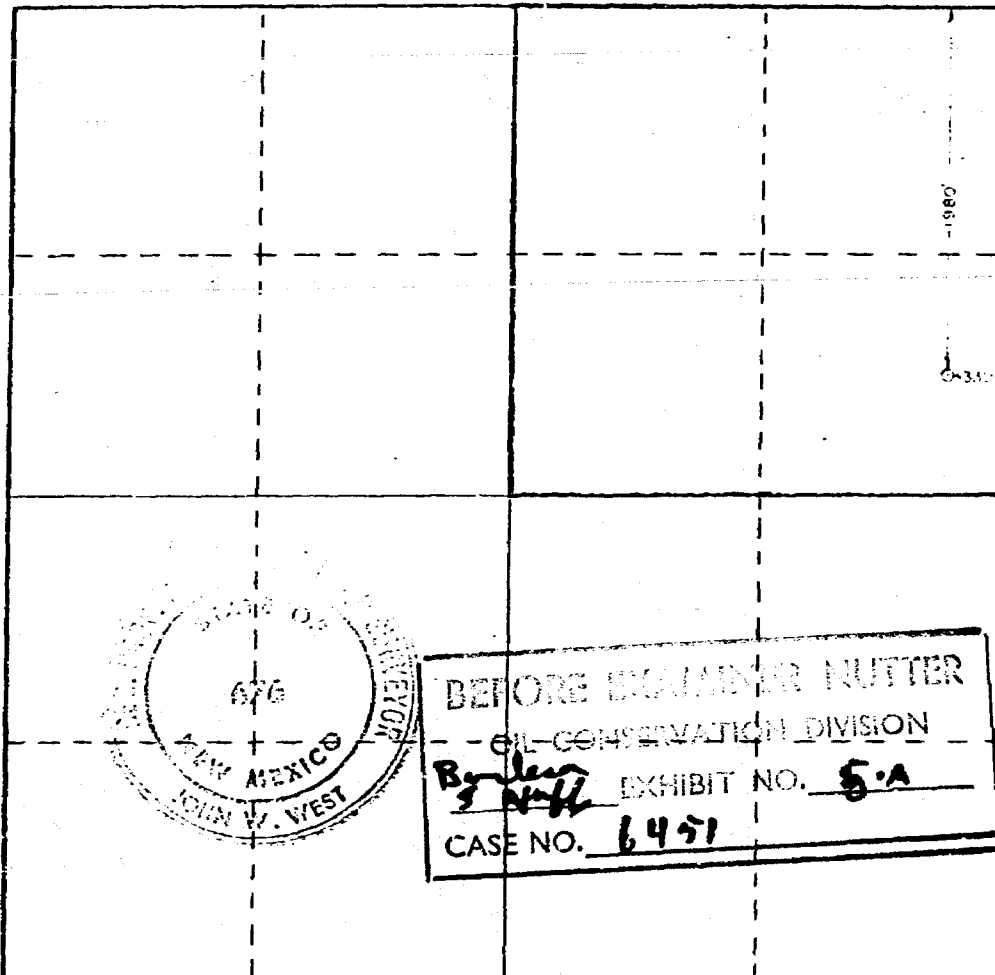
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

EXHIBIT NO. 5-A

CASE NO. 6451

**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name \_\_\_\_\_

Position **Owner**

Company **Burleson & Huff**

Date **Jan. 10, 1979**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **January 5, 1979**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **John W. West 576**  
**Ronald J. Eidson 3239**

0 330 660 990 1320 1650 1980 2310 2640 2000 1600 1000 600 0

BURLESON & HUFF  
Coll A # 1 Production History

| Month & Year | Bottom Hole Pressure | MCF | GROSS RUNS | TAX  | GROSS ROYALTIES |
|--------------|----------------------|-----|------------|------|-----------------|
| Dec. 1976    |                      | 33  | 25.35      | 1.74 | 5.31            |
| Jan. 1977    |                      | 36  | 28.18      | 1.64 | 5.90            |
| Feb. 1977    |                      | 31  | 24.08      | 1.64 | 5.04            |
| March 1977   |                      | 15  | 11.65      | .80  | 2.44            |
| April 1977   |                      | 19  | 14.76      | 1.01 | 3.09            |
| May 1977     | 25#                  | 28  | 21.76      | 1.49 | 4.55            |
| June 1977    |                      | 18  | 13.98      | .95  | 2.93            |
| July 1977    |                      | 22  | 17.54      | 1.56 | 3.67            |
| Aug. 1977    |                      | 11  | 8.77       | .76  | 1.84            |
| Sept. 1977   |                      | 14  | 11.31      | 1.00 | 2.37            |
| Oct. 1977    |                      | 12  | 9.70       | .85  | 2.03            |
| Nov. 1977    |                      | 16  | 12.93      | 1.16 | 2.71            |
| Dec. 1977    |                      | 15  | 12.12      | 1.07 | 2.54            |
| Jan. 1978    |                      | 14  | 11.51      | 1.00 | 2.41            |
| Feb. 1978    |                      | 0   |            |      |                 |
| March 1978   |                      | 10  | 8.22       | .70  | 1.72            |
| April 1978   |                      | 12  | 9.63       | .84  | 2.02            |
| May 1978     | 35#                  | 20  | 16.05      | 1.42 | 3.36            |
| June 1978    |                      | 15  | 14.20      | 1.26 | 2.97            |
| July 1978    |                      | 18  | 14.49      | 1.32 | 3.03            |
| Aug. 1978    |                      | 11  | 8.86       | .81  | 1.85            |
| Sept. 1978   |                      | 2   | 1.64       | .10  | .34             |
| Oct. 1978    |                      | 6   | 4.96       | .34  | 1.04            |
| Nov. 1978    |                      | 1   | .84        | .02  | .18             |
| Dec. 1978    |                      | 12  | 10.77      | .84  | 2.42            |
| Jan. 1979    |                      | 14  | 11.31      | 1.00 | 2.37            |

Working Interest Net Revenue:

1977 - \$133.74

1978 - \$ 71.18

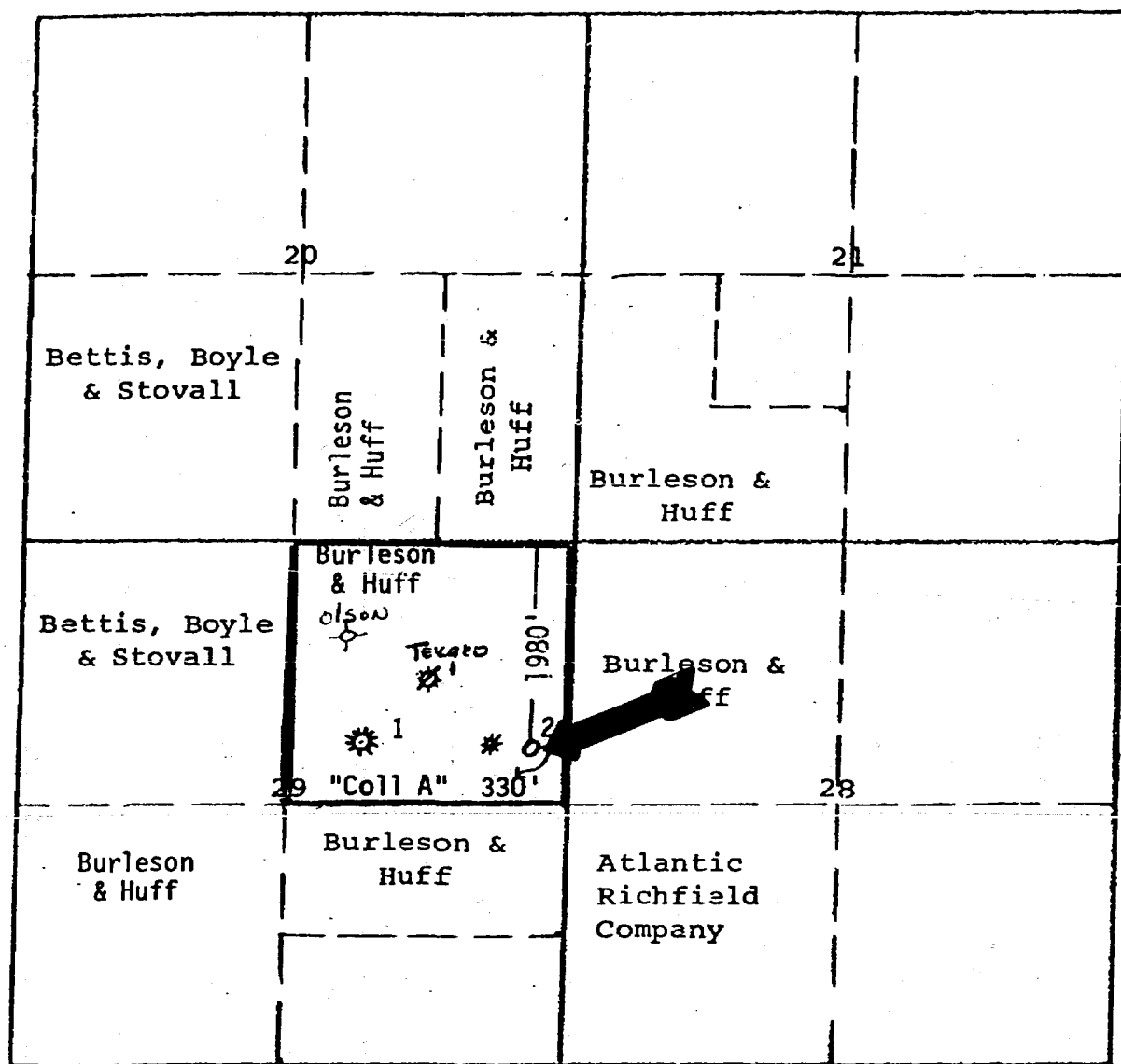
Operating Costs: 1977 - \$63.10, average of \$5.25 per month

1978 - \$76.68, average of \$6.39 per month

*will plug well #1  
or recompletes  
in Langley meeting  
within 2 mos  
after compl  
of #2*

|                                      |                      |
|--------------------------------------|----------------------|
| BEFORE EXAMINER HUTTER               |                      |
| OIL CONSERVATION DIVISION            |                      |
| <u>Burleson</u><br><u>&amp; Huff</u> | EXHIBIT NO. <u>6</u> |
| CASE NO. <u>6451</u>                 |                      |

Case No. 6451



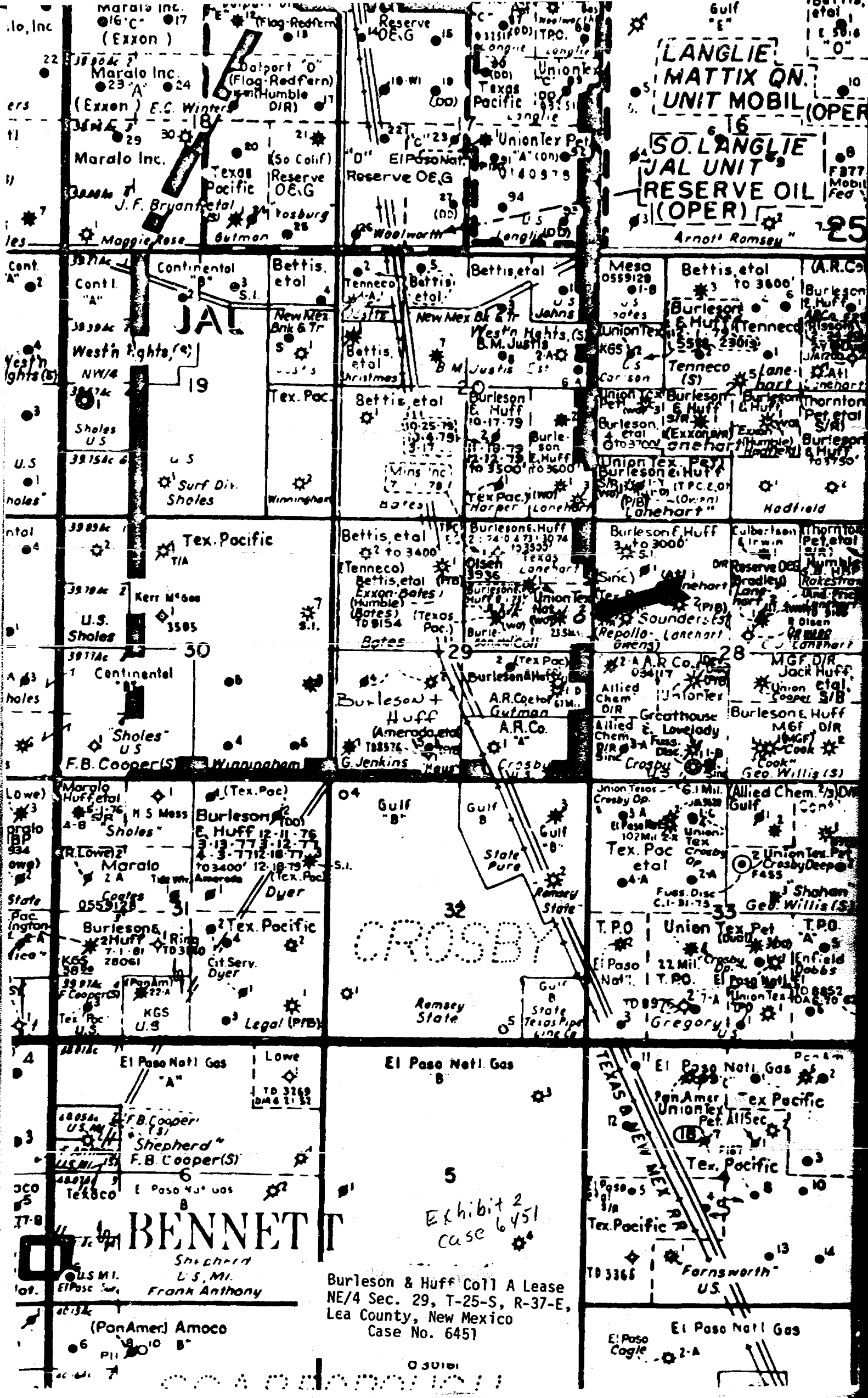
TOWNSHIP 25 SOUTH, RANGE 37 EAST

LI, COUNTY, NEW MEXICO

CASE No. 6451

*Exhibit 1  
Case 6451*

Scale: 3 inches = 1 mile



January 10, 1979

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Burleson & Huff of Midland, Texas has notified us they propose to drill a well to test the Yates formation at a depth of 3100 feet at a location shown on the enclosed plat, being 330 feet from the east line and 1980 feet from the north line of Section 29, T-25-S, R-37-E, Lea County. This well's location is in violation of the rules because it is located 330 feet from the lease line. This location was moved to this spot because it is in the townsite of Jal, New Mexico and this moves it further away from adjacent structures. There is an old plugged well at the standard location.

This is to certify that Bettis, Boyle & Stovall, as an off-set operator, hereby waives their rights to object and has no objection to the proposed location in the event the Burleson & Huff Coll A # 2 is a gas well in the Yates formation.

Yours very truly,

BETTIS, BOYLE & STOVALL

By

*Wm Bettis* COOWNER

Exhibit 3  
Case 6451

January 10, 1979

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Burleson & Huff of Midland, Texas has notified us they propose to drill a well to test the Yates formation at a depth of 3100 feet at a location shown on the enclosed plat, being 330 feet from the east line and 1980 feet from the north line of Section 29, T-25-S, R-37-E, Lea County. This well's location is in violation of the rules because it is located 330 feet from the lease line. This location was moved to this spot because it is in the townsite of Jal, New Mexico and this moves it further away from adjacent structures. There is an old plugged well at the standard location.

This is to certify that Atlantic Richfield Company, as an off-set operator hereby waives their rights to object and has no objection to the proposed location in the event the Burleson & Huff Coll A # 2 is a gas well in the Yates formation.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

By J. F. Tweed

Exhibit 4  
Case 6451

|                        |  |
|------------------------|--|
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| OPERATOR               |  |

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

|                                |                                         |
|--------------------------------|-----------------------------------------|
| 5A. Indicate Type of Lease     |                                         |
| STATE <input type="checkbox"/> | FEE <input checked="" type="checkbox"/> |
| 5. State Oil & Gas Lease No.   |                                         |

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                                                                                                                                                                                                              |  |                                                           |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|--|
| 1a. Type of Work                                                                                                                                                                                                                                                                                                             |  | 7. Unit Agreement Name                                    |  |
| b. Type of Well<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/><br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |  | 8. Farm or Lease Name<br>Coll A                           |  |
| 2. Name of Operator<br>Burleson & Huff                                                                                                                                                                                                                                                                                       |  | 9. Well No.<br>2                                          |  |
| 3. Address of Operator<br>Box 2479, Midland, Texas 79702                                                                                                                                                                                                                                                                     |  | 10. Field and Pool, or Wildcat<br>Jalmat                  |  |
| 4. Location of Well<br>UNIT LETTER H LOCATED 330 FEET FROM THE east LINE<br>AND 1980 FEET FROM THE north LINE OF SEC. 29 TWP. 25-S RGE. 37-E NMPM                                                                                                                                                                            |  | 12. County<br>Lea                                         |  |
| 19. Proposed Depth<br>3200                                                                                                                                                                                                                                                                                                   |  | 10A. Formation<br>Yates-Seven Rivers                      |  |
| 20. Rotary or C.T.<br>Rotary                                                                                                                                                                                                                                                                                                 |  | 21. Elevations (Show whether DF, RT, etc.)<br>3020.6 - GR |  |
| 21A. Kind & Status Plug. Bond<br>State-wide                                                                                                                                                                                                                                                                                  |  | 21B. Drilling Contractor<br>Su-Marr                       |  |
| 22. Approx. Date Work will start<br>2-22-79                                                                                                                                                                                                                                                                                  |  |                                                           |  |

## PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP           |
|--------------|----------------|-----------------|---------------|-----------------|--------------------|
| 13-3/4       | 8-5/8"         | 23.0            | 950           | 500             | circulated         |
| 7-7/8        | 4-1/2"         | 10.5            | 3200          | 400             | above base of salt |

Drill to anhydrite & set 8-5/8" and circulate cement to surface. Test pipe and drill out with Shaeffer Blow Out Preventer, 600 Series, 5000# test, 3000# working pressure. Drill to TD and run 4-1/2" pipe cemented above base of salt. Perforate, frac and complete in Jalmat Gas Pool.

Exhibit 5  
Case 6451

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed \_\_\_\_\_ Title \_\_\_\_\_ Owner \_\_\_\_\_ Date January 10, 1979

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

|                                                                                                                               |                      |                                     |                          |                      |                          |                      |                                         |  |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------|--------------------------|----------------------|--------------------------|----------------------|-----------------------------------------|--|
| Operator<br><b>Burleson &amp; Huff</b>                                                                                        |                      |                                     | Lease<br><b>Coll "A"</b> |                      |                          | Well No.<br><b>2</b> |                                         |  |
| Section<br><b>H</b>                                                                                                           | Section<br><b>29</b> | Township<br><b>25 South</b>         | Range<br><b>37 East</b>  | County<br><b>Lea</b> |                          |                      |                                         |  |
| Actual Footage Location of Well:<br><b>1980</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>East</b> line |                      |                                     |                          |                      |                          |                      |                                         |  |
| Ground Level Elev.<br><b>3020.6</b>                                                                                           |                      | Producing Formation<br><b>Yates</b> |                          |                      | Pool<br><b>Joint Gas</b> |                      | Dedicated Acreage:<br><b>1.00</b> Acres |  |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name \_\_\_\_\_

Position **Owner**

Company **Burleson & Huff**

Date **Jan. 10, 1979**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

**January 5, 1979**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **John W. West**

**676**

**Ronald J. Eldon 3259**

BURLESON & HUFF  
Coll A # 1 Production History

| <u>Month &amp; Year</u> | <u>Bottom Hole<br/>Pressure</u> | <u>MCF</u> | <u>GROSS<br/>RUNS</u> | <u>TAX</u> | <u>GROSS<br/>ROYALTIES</u> |
|-------------------------|---------------------------------|------------|-----------------------|------------|----------------------------|
| Dec. 1976               |                                 | 33         | 25.35                 | 1.74       | 5.31                       |
| Jan. 1977               |                                 | 36         | 28.18                 | 1.64       | 5.90                       |
| Feb. 1977               |                                 | 31         | 24.08                 | 1.64       | 5.04                       |
| March 1977              |                                 | 15         | 11.65                 | .80        | 2.44                       |
| April 1977              |                                 | 19         | 14.76                 | 1.01       | 3.09                       |
| May 1977                | 25#                             | 28         | 21.76                 | 1.49       | 4.55                       |
| June 1977               |                                 | 18         | 13.98                 | .95        | 2.93                       |
| July 1977               |                                 | 22         | 17.54                 | 1.56       | 3.67                       |
| Aug. 1977               |                                 | 11         | 8.77                  | .76        | 1.84                       |
| Sept. 1977              |                                 | 14         | 11.31                 | 1.00       | 2.37                       |
| Oct. 1977               |                                 | 12         | 9.70                  | .85        | 2.03                       |
| Nov. 1977               |                                 | 16         | 12.93                 | 1.16       | 2.71                       |
| Dec. 1977               |                                 | 15         | 12.12                 | 1.07       | 2.54                       |
| Jan. 1978               |                                 | 14         | 11.51                 | 1.00       | 2.41                       |
| Feb. 1978               |                                 | 0          |                       |            |                            |
| March 1978              |                                 | 10         | 8.22                  | .70        | 1.72                       |
| April 1978              |                                 | 12         | 9.63                  | .84        | 2.02                       |
| May 1978                | 35#                             | 20         | 16.05                 | 1.42       | 3.36                       |
| June 1978               |                                 | 15         | 14.20                 | 1.26       | 2.97                       |
| July 1978               |                                 | 18         | 14.49                 | 1.32       | 3.03                       |
| Aug. 1978               |                                 | 11         | 8.86                  | .81        | 1.35                       |
| Sept. 1978              |                                 | 2          | 1.64                  | .10        | .34                        |
| Oct. 1978               |                                 | 6          | 4.96                  | .34        | 1.04                       |
| Nov. 1978               |                                 | 1          | .84                   | .02        | .18                        |
| Dec. 1978               |                                 | 12         | 10.77                 | .84        | 2.42                       |
| Jan. 1979               |                                 | 14         | 11.31                 | 1.00       | 2.37                       |

Working Interest Net Revenue:

1977 - \$133.74

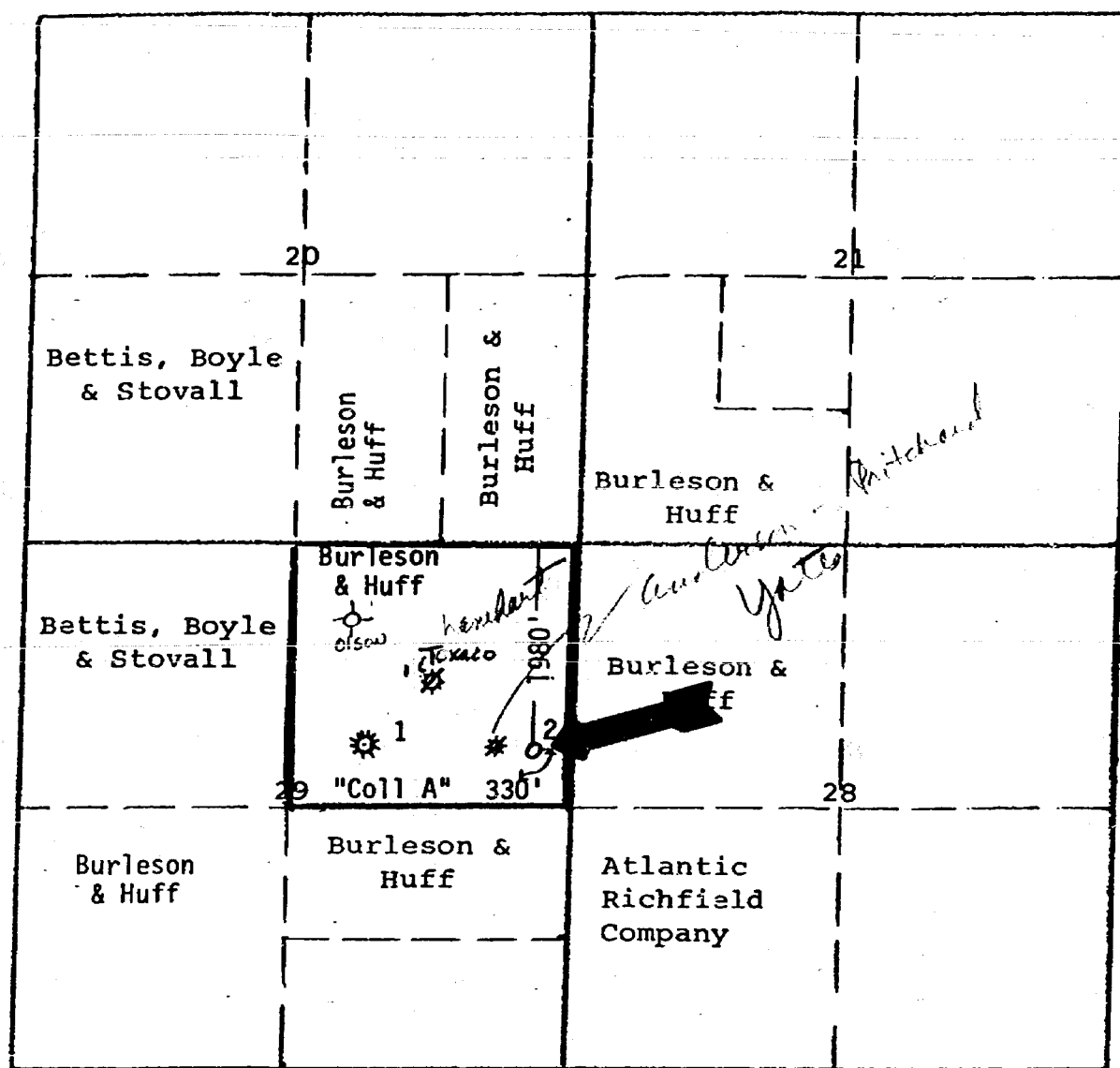
1978 - \$ 71.18

Operating Costs: 1977 - \$63.10, average of \$5.25 per month

1978 - \$76.68, average of \$6.39 per month

*Exhibit 6  
Case 6451*

Case No. 6451



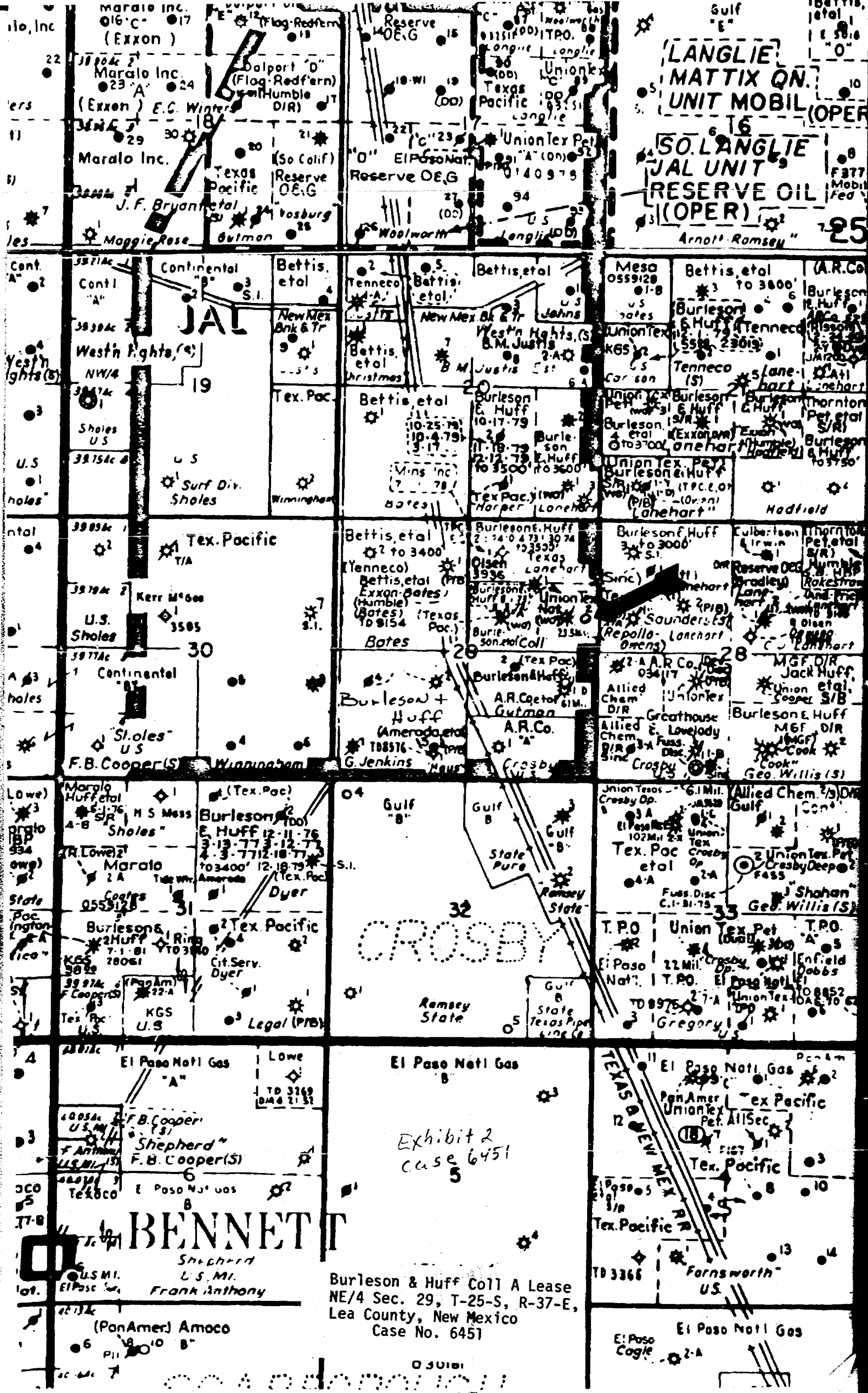
TOWNSHIP 25 SOUTH, RANGE 37 EAST

LEA COUNTY, NEW MEXICO

CASE No. 6451

Exhibit 1  
Case 6451

Scale: 3 inches = 1 mile



January 10, 1979

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Burleson & Huff of Midland, Texas has notified us they propose to drill a well to test the Yates formation at a depth of 3100 feet at a location shown on the enclosed plat, being 330 feet from the east line and 1980 feet from the north line of Section 29, T-25-S, R-37-E, Lea County. This well's location is in violation of the rules because it is located 330 feet from the lease line. This location was moved to this spot because it is in the townsite of Jal, New Mexico and this moves it further away from adjacent structures. There is an old plugged well at the standard location.

This is to certify that Bettis, Boyle & Stovall, as an off-set operator, hereby waives their rights to object and has no objection to the proposed location in the event the Burleson & Huff Coll A # 2 is a gas well in the Yates formation.

Yours very truly,

BETTIS, BOYLE & STOVALL

By

*1 Hm Bettis COOWNER*

*Exhibit 3  
case 6451*

January 10, 1979

Mr. Joe Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Burleson & Huff of Midland, Texas has notified us they propose to drill a well to test the Yates formation at a depth of 3100 feet at a location shown on the enclosed plat, being 330 feet from the east line and 1980 feet from the north line of Section 29, T-25-S, R-37-E, Lea County. This well's location is in violation of the rules because it is located 330 feet from the lease line. This location was moved to this spot because it is in the townsite of Jal, New Mexico and this moves it further away from adjacent structures. There is an old plugged well at the standard location.

This is to certify that Atlantic Richfield Company, as an offset operator hereby waives their rights to object and has no objection to the proposed location in the event the Burleson & Huff Coll A # 2 is a gas well in the Yates formation.

Yours very truly,

ATLANTIC RICHFIELD COMPANY

By J. F. Tweed

Exhibit 4  
Case 6451

|                        |  |
|------------------------|--|
| NO. OF COPIES RECEIVED |  |
| DISTRIBUTION           |  |
| SANTA FE               |  |
| FILE                   |  |
| U.S.G.S.               |  |
| LAND OFFICE            |  |
| OPERATOR               |  |

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

|                                |                                         |
|--------------------------------|-----------------------------------------|
| 5A. Indicate Type of Lease     |                                         |
| STATE <input type="checkbox"/> | FEE <input checked="" type="checkbox"/> |
| 5. State Oil & Gas Lease No.   |                                         |

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                                                                                                                                                                                                              |  |                                                           |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------|--|
| 1a. Type of Work                                                                                                                                                                                                                                                                                                             |  | 7. Unit Agreement Name                                    |  |
| b. Type of Well<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/><br>OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> |  | 8. Farm or Lease Name<br>Coll A                           |  |
| 2. Name of Operator<br>Burleson & Huff                                                                                                                                                                                                                                                                                       |  | 9. Well No.<br>2                                          |  |
| 3. Address of Operator<br>Box 2479, Midland, Texas 79702                                                                                                                                                                                                                                                                     |  | 10. Field and Pool, or Wildcat<br>Jalmat                  |  |
| 4. Location of Well<br>UNIT LETTER <u>H</u> LOCATED <u>330</u> FEET FROM THE <u>east</u> LINE<br>AND <u>1980</u> FEET FROM THE <u>north</u> LINE OF SEC. <u>29</u> TWP. <u>25-S</u> RGE. <u>37-E</u> NMPM                                                                                                                    |  | 12. County<br>Lea                                         |  |
| 19. Proposed Depth<br>3200                                                                                                                                                                                                                                                                                                   |  | 19A. Formation<br>Yates-Seven Rivers                      |  |
| 20. Rotary or C.T.<br>Rotary                                                                                                                                                                                                                                                                                                 |  | 21. Elevations (Show whether DF, RT, etc.)<br>3020.6 - GR |  |
| 21A. Kind & Status Plug. Bond<br>State-wide                                                                                                                                                                                                                                                                                  |  | 21B. Drilling Contractor<br>Su-Marr                       |  |
| 22. Approx. Date Work will start<br>2-22-79                                                                                                                                                                                                                                                                                  |  |                                                           |  |

### PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP         |
|--------------|----------------|-----------------|---------------|-----------------|------------------|
| 13-3/4       | 8-5/8"         | 23.0            | 950           | 500             | circulated       |
| 7-7/8        | 4-1/2          | 10.5            | 3200          | 400             | above base of sa |

Drill to anhydrite & set 8-5/8" and circulate cement to surface. Test pipe and drill out with Shaeffer Blow Out Preventer, 600 Series, 5000# test, 3000# working pressure. Drill to TD and run 4-1/2" pipe cemented above base of salt. Perforate, frac and complete in Jalmat Gas Pool.

Exhibit 5  
Case 6451

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed \_\_\_\_\_ Title \_\_\_\_\_ Owner \_\_\_\_\_ Date January 10, 1979

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-1-77  
Supersedes 1-1-75  
Effective 1-1-77

All distances must be from the outer boundaries of the Section

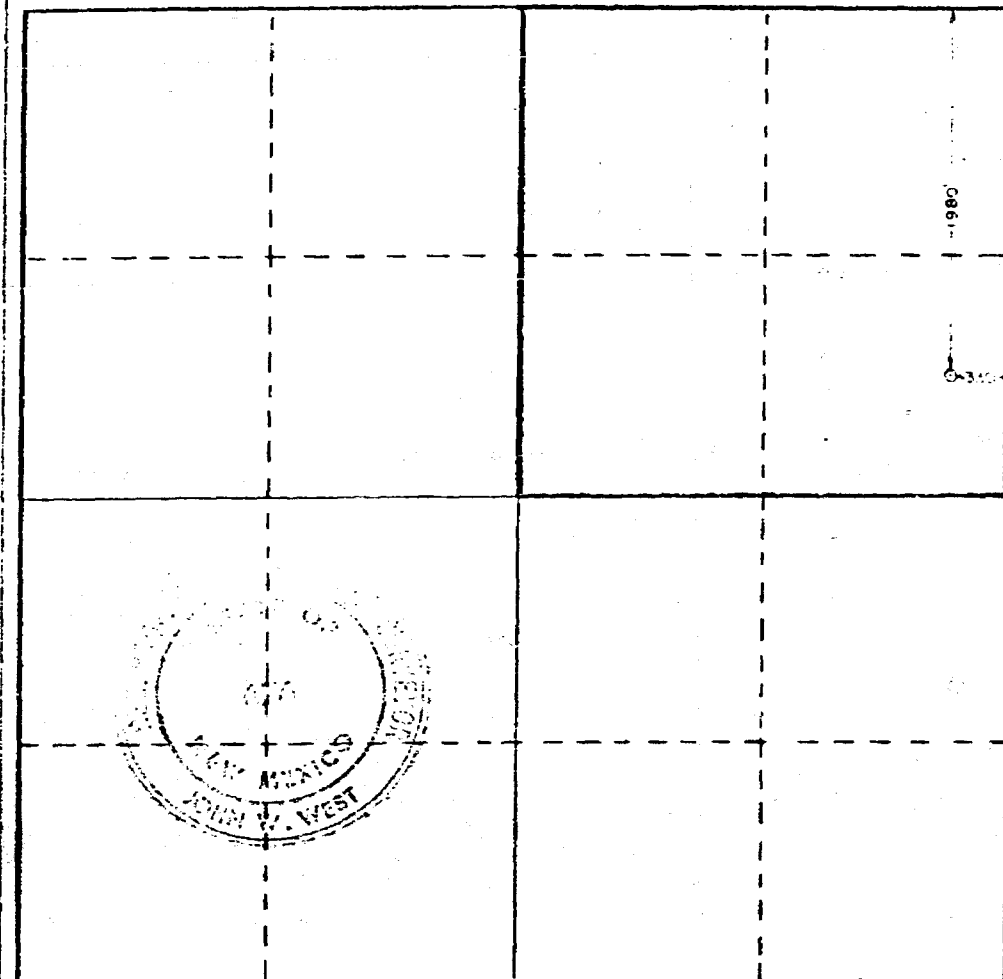
|                                                                                                                            |                                     |                             |                         |                                  |                      |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------|-------------------------|----------------------------------|----------------------|
| Lessee<br><b>Burleson &amp; Huff</b>                                                                                       |                                     |                             | Lease<br><b>Coll. A</b> |                                  | Well No.<br><b>2</b> |
| Section<br><b>H</b>                                                                                                        | Section<br><b>29</b>                | Township<br><b>25 South</b> | Range<br><b>37 East</b> | County<br><b>Lea</b>             |                      |
| Actual Well Location of Well:<br><b>1980</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>East</b> line |                                     |                             |                         |                                  |                      |
| Ground Level Elev.<br><b>3020.6</b>                                                                                        | Producing Formation<br><b>Yates</b> | Pool<br><b>Jalnet Gas</b>   |                         | Dedicated Acreage:<br><b>160</b> |                      |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name \_\_\_\_\_

Position **Owner**

Company **Burleson & Huff**

Date **Jan. 10, 1979**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

**January 5, 1979**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

Certificate No. **John W. West 676**  
**Ronald J. Eidson 3239**



BURLESON & HUFF  
 Coll A # 1 Production History

| <u>Month &amp; Year</u> | <u>Bottom Hole Pressure</u> | <u>MCF</u> | <u>GROSS RUNS</u> | <u>TAX</u> | <u>GROSS ROYALTIES</u> |
|-------------------------|-----------------------------|------------|-------------------|------------|------------------------|
| Dec. 1976               |                             | 33         | 25.35             | 1.74       | 5.31                   |
| Jan. 1977               |                             | 36         | 28.18             | 1.64       | 5.90                   |
| Feb. 1977               |                             | 31         | 24.08             | 1.64       | 5.04                   |
| March 1977              |                             | 15         | 11.65             | .80        | 2.44                   |
| April 1977              |                             | 19         | 14.76             | 1.01       | 3.09                   |
| May 1977                | 25#                         | 28         | 21.76             | 1.49       | 4.55                   |
| June 1977               |                             | 18         | 13.98             | .95        | 2.93                   |
| July 1977               |                             | 22         | 17.54             | 1.56       | 3.67                   |
| Aug. 1977               |                             | 11         | 8.77              | .76        | 1.84                   |
| Sept. 1977              |                             | 14         | 11.31             | 1.00       | 2.37                   |
| Oct. 1977               |                             | 12         | 9.70              | .85        | 2.03                   |
| Nov. 1977               |                             | 16         | 12.93             | 1.16       | 2.71                   |
| Dec. 1977               |                             | 15         | 12.12             | 1.07       | 2.54                   |
| Jan. 1978               |                             | 14         | 11.51             | 1.00       | 2.41                   |
| Feb. 1978               |                             | 0          |                   |            |                        |
| March 1978              |                             | 10         | 8.22              | .70        | 1.72                   |
| April 1978              |                             | 12         | 9.63              | .84        | 2.02                   |
| May 1978                | 35#                         | 20         | 16.05             | 1.42       | 3.36                   |
| June 1978               |                             | 15         | 14.20             | 1.26       | 2.97                   |
| July 1978               |                             | 18         | 14.49             | 1.32       | 3.03                   |
| Aug. 1978               |                             | 11         | 8.86              | .81        | 1.85                   |
| Sept. 1978              |                             | 2          | 1.64              | .10        | .34                    |
| Oct. 1978               |                             | 6          | 4.96              | .34        | 1.04                   |
| Nov. 1978               |                             | 1          | .84               | .02        | .18                    |
| Dec. 1978               |                             | 12         | 10.77             | .84        | 2.42                   |
| Jan. 1979               |                             | 14         | 11.31             | 1.00       | 2.37                   |

Working Interest Net Revenue:

1977 - \$133.74

1978 - \$ 71.18

Operating Costs: 1977 - \$63.10, average of \$5.25 per month

1978 - \$76.68, average of \$6.39 per month

*Exhibit 6  
 case 6451*

Case No. 6451

JASON W. KELLAHIN  
W. THOMAS KELLAHIN  
KAREN AUBREY

KELLAHIN and KELLAHIN

ATTORNEYS AT LAW  
800 DON GASPAR AVENUE  
P. O. BOX 1769  
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4285  
AREA CODE 505

January 22, 1979

Mr. Joe Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Burleson & Huff  
Coll A #2 well

Dear Joe:

Please set the enclosed application for hearing on  
February 14, 1978.

Very truly yours,

  
W. Thomas Kellahin

CC: Lewis Burleson

WTK:kfm

Enclosure

BEFORE THE NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF BURLESON & HUFF FOR AN  
UNORTHODOX WELL LOCATION; FOR NONSTANDARD  
GAS PRORATION UNIT; AND FOR WELLHEAD  
PRICE CEILING CATEGORY DETERMINATION,  
LEA COUNTY, NEW MEXICO

1979  
OIL CONSERVATION DIVISION

Case 6451

A P P L I C A T I O N

Comes now BURLESON & HUFF, and apply to the Oil Conservation Division of New Mexico for approval of an unorthodox well location, nonstandard proration unit and wellhead price ceiling category determination for its Coll A #2 well located 1980 feet from the North line and 330 feet from the East line of Section 29, T25S, R37E, Jalmat Gas Pool, Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator of the Coll A #1 well located 1980 feet from the North and East lines of Section 29, T25S, R37E, Jalmat Gas Pool, Lea County, New Mexico.
2. That the Coll A #1 well is located on an existing approved 160 acre non-standard gas proration unit consisting of the NE/4 of said section.
3. That said well is non-commercial in the Jalmat gas pool and Applicant desires approval to drill a replacement well, its Coll A #2 well, at an unorthodox well location 1980 feet from the North line and 330 feet from the East line of said Section 29 and to dedicate the same 160 acre non-standard gas proration unit to said well as was previously dedicated

to the Coll A #1 well.

4. Applicant further seeks a determination pursuant to the F.E.R.C. Rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of the Jalmat Gas Pool reservoir covered by the proposed non-standard proration unit which cannot be effectively and efficiently drained by an existing well within the proration unit and will offer evidence in support of that determination.

5. That applicant proposes to recomplete the Coll A #1 well in the Queen formation or to plug and abandon said well in accordance with Division rules and regulations.

6. That granting of this application will result in the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant respectfully requests that this matter be set for hearing before the Division's duly appointed examiner and that after notice and hearing the application be approved.

KELLAHIN & KELLAHIN

By 

W. Thomas Kellahin

P. O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Burleson & Huff

BEFORE THE NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JAN 22 1979

OIL CONSERVATION COM.  
Santa Fe

IN THE MATTER OF THE APPLICATION  
OF BURLESON & HUFF FOR AN  
UNORTHODOX WELL LOCATION; FOR NONSTANDARD  
GAS PRORATION UNIT; AND FOR WELLHEAD  
PRICE CEILING CATEGORY DETERMINATION,  
LEA COUNTY, NEW MEXICO

Case 6451

A P P L I C A T I O N

Comes now BURLESON & HUFF, and apply to the Oil Conservation Division of New Mexico for approval of an unorthodox well location, nonstandard proration unit and wellhead price ceiling category determination for its Coll A #2 well located 1980 feet from the North line and 330 feet from the East line of Section 29, T25S, R37E, Jalmat Gas Pool, Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator of the Coll A #1 well located 1980 feet from the North and East lines of Section 29, T25S, R37E, Jalmat Gas Pool, Lea County, New Mexico.
2. That the Coll A #1 well is located on an existing approved 160 acre non-standard gas proration unit consisting of the NE/4 of said section.
3. That said well is non-commercial in the Jalmat gas pool and Applicant desires approval to drill a replacement well, its Coll A #2 well, at an unorthodox well location 1980 feet from the North line and 330 feet from the East line of said Section 29 and to dedicate the same 160 acre non-standard gas proration unit to said well as was previously dedicated

to the Coll A #1 well.

4. Applicant further seeks a determination pursuant to the F.E.R.C. Rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of the Jalmat Gas Pool reservoir covered by the proposed non-standard proration unit which cannot be effectively and efficiently drained by an existing well within the proration unit and will offer evidence in support of that determination.

5. That applicant proposes to recomplete the Coll A #1 well in the Queen formation or to plug and abandon said well in accordance with Division rules and regulations.

6. That granting of this application will result in the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant respectfully requests that this matter be set for hearing before the Division's duly appointed examiner and that after notice and hearing the application be approved.

KELLAHIN & KELLAHIN

By

W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501

Attorneys for Burleson & Huff

BEFORE THE NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JAN 22 1979

OIL CONSERVATION DIVISION  
Santa Fe

IN THE MATTER OF THE APPLICATION  
OF BURLESON & HUFF FOR AN  
UNORTHODOX WELL LOCATION; FOR NONSTANDARD  
GAS PRORATION UNIT; AND FOR WELLHEAD  
PRICE CEILING CATEGORY DETERMINATION,  
LEA COUNTY, NEW MEXICO

Case 6451

A P P L I C A T I O N

Comes now BURLESON & HUFF, and apply to the Oil Conservation Division of New Mexico for approval of an unorthodox well location, nonstandard proration unit and wellhead price ceiling category determination for its Coll A #2 well located 1980 feet from the North line and 330 feet from the East line of Section 29, T25S, R37E, Jalmat Gas Pool, Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator of the Coll A #1 well located 1980 feet from the North and East lines of Section 29, T25S, R37E, Jalmat Gas Pool, Lea County, New Mexico.
2. That the Coll A #1 well is located on an existing approved 160 acre non-standard gas proration unit consisting of the NE/4 of said section.
3. That said well is non-commercial in the Jalmat gas pool and Applicant desires approval to drill a replacement well, its Coll A #2 well, at an unorthodox well location 1980 feet from the North line and 330 feet from the East line of said Section 29 and to dedicate the same 160 acre non-standard gas proration unit to said well as was previously dedicated

to the Coll A #1 well.

4. Applicant further seeks a determination pursuant to the F.E.R.C. Rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of the Jalmat Gas Pool reservoir covered by the proposed non-standard proration unit which cannot be effectively and efficiently drained by an existing well within the proration unit and will offer evidence in support of that determination.

5. That applicant proposes to recomplete the Coll A #1 well in the Queen formation or to plug and abandon said well in accordance with Division rules and regulations.

6. That granting of this application will result in the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant respectfully requests that this matter be set for hearing before the Division's duly appointed examiner and that after notice and hearing the application be approved.

KELLAHIN & KELLAHIN

By

W. Thomas Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501

Attorneys for Burleson & Huff



ROUGH

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6451

Order No. R-5969

*BPH*  
APPLICATION OF BURLESON & HUFF FOR  
APPROVAL OF INFILL DRILLING AND AN  
UNORTHODOX WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

*Don*  
ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14  
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of April, 19 79, the  
Division Director, 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 Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Burleson & Huff, seeks a finding  
that the drilling of its proposed Coll A Well No. 2, at an  
unorthodox location 1980 feet from the North line and 330 feet  
from the East line of Section 29, Township 25 South, Range 37  
East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to be

dedicated to the existing proration unit comprising the NE/4 of said Section 29, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing unit well.

(3) That the standard spacing unit for the Jalmat Gas Pool is 640 acres.

(4) That the applicant further seeks a waiver of existing well spacing requirements for the Jalmat Gas Pool to permit the aforesaid well to be drilled at the proposed location.

(5) That the existing Unit well, applicants' Coll A Well No. 1, located in Unit G of Section 29, is a very poor producer and has been such since its completion in December, 1976.

(6) That it is believed that there are substantial reserves of recoverable gas underlying the NE/4 of Section 29, and <sup>that</sup> these reserves cannot be economically recovered by the existing unit well, but that they might be recovered by applicants' proposed well.

(7) That approval of the infill drilling of applicants' proposed Coll A Well No. 2 at the proposed unorthodox location is in the interest of conservation, will prevent waste, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Burleson & Huff, is hereby authorized an exception to the well spacing requirements to drill an infill well, its Coll A Well No. 2 at a point 1980 feet from the North line and 330 feet from the East line of Section 29, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, the NE/4 of said Section 29 to be dedicated to the well.

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

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.