

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

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

CASE NO. 9872  
ORDER NO. R-8170-E-1

IN THE MATTER OF CASE 9872 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-9463, WHICH, AMONG OTHER THINGS, PROVIDED FOR THE REOPENING OF SAID CASE 9872 IN ORDER THAT ALL OPERATORS IN THE BURTON FLAT-MORROW GAS POOL, EDDY COUNTY, NEW MEXICO, MAY APPEAR AND PRESENT EVIDENCE RELATIVE TO THE PERMANENT TERMINATION OF GAS PRORATIONING FOR SAID BURTON FLAT-MORROW GAS POOL.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 19, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of October, 1991 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-8170-E, dated April 2, 1990, issued in Case No. 9872 and made effective April 1, 1990, the following provisions affecting the Burton Flat-Morrow Gas Pool, encompassing portions of Townships 20 and 21 South, Ranges 26, 27 and 28 East, NMPM, Eddy County, New Mexico were instituted:

- a) the prorationing of gas production, pursuant to the provisions of Division Order No. R-8170, as amended, was suspended for a temporary testing period commencing April 1, 1990 and ending June, 1991;

- b) the General Rules and Regulations applicable for Morrow gas wells in Southeast New Mexico were applied to said pool during the testing period;
- c) production records were kept on said pool and reported on the Proration Schedule for Southeast New Mexico during the testing period for statistical purposes only;
- d) the Division retained jurisdiction in this matter should it had been determined at any time during the test period that the pool should again be prorated, each well would have been reassigned its classification and over or under production status as of April 1, 1990; and,
- e) if gas prorationing had been reinstated, each non-marginal well would be assigned a minimum allowable of 750 MCF per day.

(3) The temporary testing period and the provisions of said Order No. R-8170-E were extended to September, 1991 by Division Order No. R-9463, dated March 22, 1991, in order to evaluate the effects of the new six-month allocation periods established by Division Order No. R-8170-H on said pool and to avoid having the pool return to proration in the middle of an allocation period should conditions warrant.

(4) OXY USA, Inc., the applicant in the original hearing, appeared at this hearing and presented evidence showing that since February 1990 the Burton Flat-Morrow Gas Pool:

- a) has shown an increase in gas production;
- b) several new wells have been drilled;
- c) compression installation and work-over activity has increased;
- d) there continues to be a market for all the gas from the pool;
- e) there continues to be support from the vast majority of the interested parties within the pool for deproration;
- f) no objections were received; and,

- g) no extenuating circumstances have occurred within the pool to support reinstatement of prorationing within the pool.

(5) Testimony also indicates that correlative rights would not be adversely affected since market demand exceeds the pool deliverability.

(6) Prorationing of gas production from the Burton Flat-Morrow Gas Pool should therefore terminate and the Special Rules and Regulations for said pool, as promulgated by Division Order No. R-8170, as amended, should be suspended; concomitantly said pool should be governed by all applicable provisions provided by the Division's Statewide Rules and Regulations.

(7) Allowables established for the Burton Flat-Morrow Gas Pool in the "Proration Schedule for the Six-Month Period October 1991 through March 1992" or any subsequent period should be null and of no effect.

**IT IS THEREFORE ORDERED THAT:**

(1) The Special Rules and Regulations for the Burton Flat-Morrow Gas Pool, as promulgated by Division Order No. R-8170, as amended, are hereby terminated.

**IT IS FURTHER ORDERED THAT:**

(2) The provisions of Division Order No. R-8170-E, dated April 2, 1990, issued in Case No. 9872 and made effective April 1, 1990, which suspended gas prorationing within said pool for a temporary period is hereby continued in full force and effect until further notice of the Division.

(3) Allowables established for the Burton Flat-Morrow Gas Pool in the "Proration Schedule for the Six-Month Period October 1991 through March 1992" or any subsequent period shall be null and of no effect.

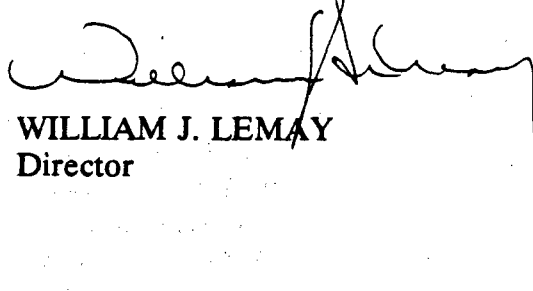
(4) Said pool shall be governed by the General Rules and Regulations applicable for gas wells in Southeast New Mexico currently completed in the Morrow formation.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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Order No. R-8170-E-1  
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

WILLIAM J. LEMAY  
Director

SEAL

CMD :  
OG5SECTONGARD  
INQUIRE LAND BY SECTION12/17/03 09:21:29  
OGOMES -TPGD  
PAGE NO: 1

Sec : 06 Twp : 21S Rng : 27E Section Type : LONG

<u>12</u> 4 5 37.12 28.23 37.12  Federal owned C	<u>11</u> 3 6 40.00 30.38 40.00  Federal owned C	10 2 7 40.00 30.32 40.00 CS CS CS MULTI C U A P	1 8 9 30.27 40.00 40.00 CS CS CS MULTI C U A
<u>13</u> 37.12  Federal owned	<u>14</u> 40.00  Federal owned	15 40.00 CS V04500 0000 NGX COMPANY 11/01/99	16 40.00 CS V04500 0000 NGX COMPANY 11/01/99 A

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PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD : ONGARD 11/24/03 15:08:09  
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TP0T  
 Page No: 1

OGRID Identifier : 14021 MARATHON OIL CO  
 Pool Identifier : 73280 BURTON FLAT;MORROW (PRO GAS)  
 API Well No : 30 15 24596 Report Period - From : 01 1993 To : 09 2003

API Well No	Property Name	Prod. MM/YY	Days Prod	Production Volumes Gas	Oil	Water	Well Stat
30 15 24596	MCCORD A	01 93	31	4780			F
30 15 24596	MCCORD A	02 93	28	3637			F
30 15 24596	MCCORD A	03 93	31	4024			F
30 15 24596	MCCORD A	04 93	30	3370			F
30 15 24596	MCCORD A	05 93	4	224			F
30 15 24596	MCCORD A	06 93	30	1656	3		F
30 15 24596	MCCORD A	07 93	31	2131	1		F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

12/17/03 09:23:37  
OGOMES -TPGD  
PAGE NO: 2

Sec : 06 Twp : 21S Rng : 27E Section Type : LONG

17 37.12  Federal owned  A	K 40.00  Federal owned  A	J 40.00 CS V04500 0000 NGX COMPANY 11/01/99	I 40.00 CS V04500 0000 NGX COMPANY 11/01/99  C
18 37.12  Federal owned	N 40.00  Federal owned  A	O 40.00 CS V04500 0000 NGX COMPANY 11/01/99	P 40.00 CS V04500 0000 NGX COMPANY 11/01/99  A

PF01 HELP  
PF07 BKWD

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PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

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PF11

PF06  
PF12

CMD : ONGARD 11/24/03 15:07:56  
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TP0T

Page No : 1

API Well No : 30 15 24596 Eff Date : 05-03-1994  
 Pool Idn : 73280 BURTON FLAT;MORROW (PRO GAS)  
 Prop Idn : 26969 CHALLENGER RAYROUX Well No : 001  
 Spacing Unit : 53053 OCD Order : Simultaneous Dedication:  
 Sect/Twp/Rng : 19 21S 27E Acreage : 315.08 Revised C102? (Y/N) :  
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	I	19	21S	27E	40.00	N	FD			
	J	19	21S	27E	40.00	N	FE			
	K	19	21S	27E	40.00	N	FE			
	N	19	21S	27E	40.00	N	FE			
	O	19	21S	27E	40.00	N	FE			
	P	19	21S	27E	40.00	N	FE			
L	3	19	21S	27E	37.51	N	FD			
M	4	19	21S	27E	37.57	N	FD			

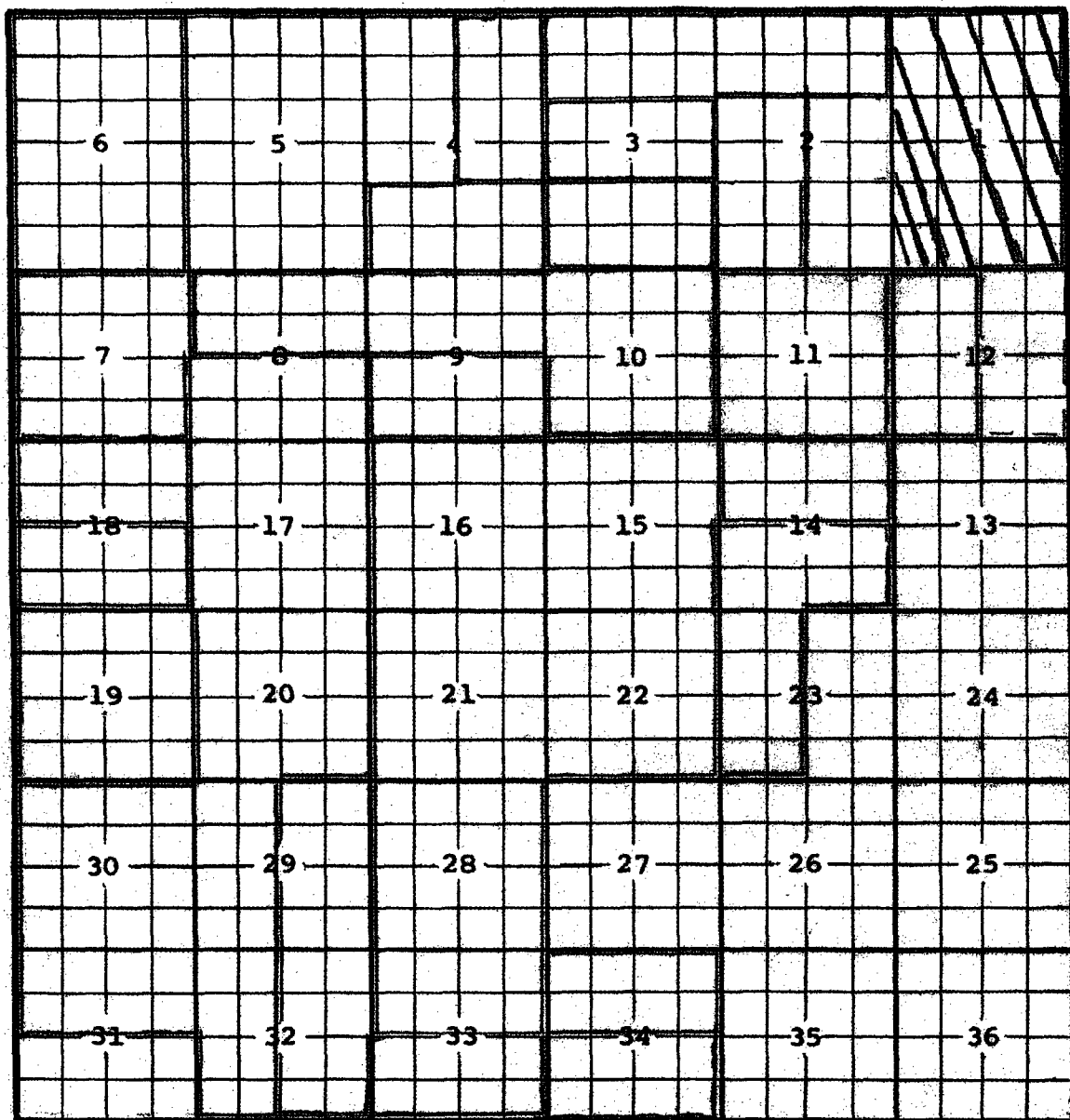
E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM  
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF



COUNTY EddyPOOL Burton Flat - Morrow GasTOWNSHIP 21 SouthRANGE 27 East

NMFM



Description: Lots 9 thru 16 Sec. 3 (R-4486, 3-1-73)

Ext: lots 1 thru 8 Sec. 2; Lots 1 thru 8 &  $\frac{1}{2}$  Sec. 3 (R-4540, 6-1-73)

Ext:  $\frac{1}{2}$  Sec 8,  $\frac{1}{2}$  Sec 9, All Sec 10 (R-4707, 1-18-74)

Ext: Lots 1, 2, 7, 8, 9, 10, 15 & 16, Sec 4 (R-4734, 3-1-74)

Ext: All Sec. 7, All Sec. 11 (R-4782, 6-1-74)

Ext: All Sec 6 (R-4850, 9-10-74) Ext:  $\frac{5}{8}$  Sec 9,  $\frac{1}{2}$  Sec 14 (R-4861, 11-1-74)

Ext:  $\frac{1}{2}$  Sec 12 (R-4937, 2-1-75) Ext:  $\frac{1}{2}$  Sec 18 (R-5015, 6-1-75)

Ext:  $\frac{5}{8}$  Sec 4,  $\frac{5}{8}$  Sec 18 (R-5063, 7-1-75)

Ext: Lots 11, 12, 13, 14 &  $\frac{5}{8}$  Sec 2, All Sec 15, 16, 21, 22 & 28, -

-  $\frac{1}{2}$  Sec 33 (R-5162, 3-1-76) Ext:  $\frac{1}{2}$  Sec 34 (R-5361, 3-1-77)

Ext: Lots 3, 4, 5, 6, 11, 12, 13 & 14 Sec 4, All Sec 5, 17, 20 & 30 -

-  $\frac{3}{2}$  Sec 8,  $\frac{1}{2}$  Sec 29,  $\frac{1}{2}$  Sec 31,  $\frac{1}{2}$  Sec 32 (R-5534, 10-1-77)

Ext:  $\frac{1}{2}$  Sec 29,  $\frac{1}{2}$  Sec 32 (R-6758, 8-26-81) Ext:  $\frac{5}{8}$  Sec 14,  $\frac{1}{2}$  Sec 23 (R-6890, 1-2-82)