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Of Counsel

November 23, 1987

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OIL CONSERVATION DIVISION

Mr. William J. LeMay
Director
Oil Conservation Division
P. O. Box 2208
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Lewis B. Burleson, Inc.
Application for approval of a
Non-Standard 160 acre Eumont Gas
Proration Unit, Simultaneous
Dedication and Unorthodox Gas Well
Location, Lea County, New Mexico

Case 9280

Dear Mr. LeMay:

Please set the enclosed application filed on behalf of Lewis B. Burleson Inc. for the next available examiner's docket now set for December 16, 1987.

By copy of this letter and application to all offset operators, we are advising them of our request for hearing. Should any offset operator who has not signed a waiver, desire to oppose the application, then they must appear at the hearing.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. Steve Burleson

"Certified, Return-Receipt Requested"
All Offset Operators Listed in Exhibit "A"

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

APPLICATION OF LEWIS B. BURLESON INC.
FOR NON-STANDARD PRORATION AND SPACING
UNIT, SIMULTANEOUS DEDICATION
AND UNORTHODOX LOCATION,
LEA COUNTY, NEW MEXICO.

CASE: 9280

A P P L I C A T I O N

Comes now Lewis B. Burleson, Inc., by and through its attorneys, Kellahin, Kellahin & Aubrey and applies to the New Mexico Oil Conservation Division for approval of a 160 acre non-standard proration and spacing unit for the Eumont Gas Pool, consisting of the following described acreage:

T19S, R37E, NMPM

Section 7: N/2S/2

and in addition for the simultaneous dedication thereto of its State A-7 #1 Well (Unit I) and its State A-7 No. 2 Well (Unit J) at an unorthodox gas well location 1650 feet FSL and 1650 feet FEL of Section 7, and in support thereof would show:

1. Applicant is the operator of the State A-7 Well #1 located in Unit I and the State A-7 Well #2 located in Unit J of Section 7, T19S, R37E, Lea County, New Mexico.

2. Both wells are producing gas well in the Eumont Gas Pool.

3. The State A-7 Well #2 is located at an unorthodox location 1650 feet from the South and East lines of Section 7.

4. Applicant proposes to dedicate the N/2S/2 of said Section 7 to the well being a non-standard 160 acre spacing and proration unit as shown on Exhibit "B".

5. Applicant has notified the offset operators to the subject spacing and proration unit as shown on Exhibit "A".

WHEREFORE, applicant requests that this matter be set for hearing and that after notice and hearing its application be granted as requested.

Respectfully submitted:



W. Thomas Kellahin, Esq.
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

EXHIBIT "A"

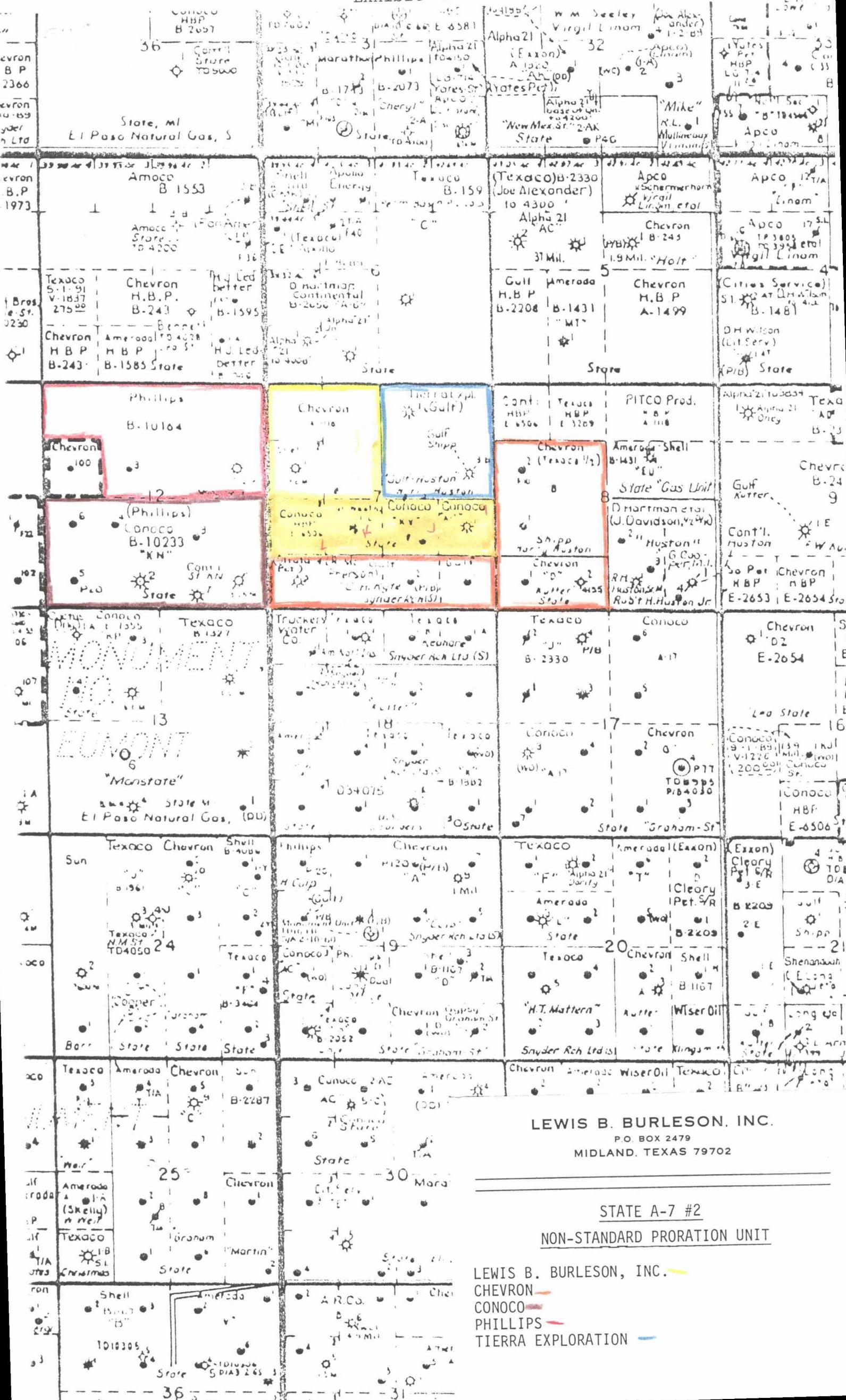
Chevron, U.S.A. Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Conoco Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Tierra Exploration, Inc.
P. O. Box 5057
Hobbs, New Mexico 88241

Exhibit "B"



LEWIS B. BURLESON, INC.
 P.O. BOX 2479
 MIDLAND, TEXAS 79702

STATE A-7 #2
 NON-STANDARD PRORATION UNIT

LEWIS B. BURLESON, INC. —
 CHEVRON —
 CONOCO —
 PHILLIPS —
 TIERRA EXPLORATION —

CASE 9123: (Continued from November 18, 1987, Examiner Hearing)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9124: (Continued from November 18, 1987, Examiner Hearing)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

CASE 9277: Application of Reading and Bates Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 10, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 7 miles north of Lindrieth, New Mexico.

CASE 9278: Application of Texaco Producing, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1350 feet from the South line and 2410 feet from the East line (Unit J) of Section 32, Township 16 South, Range 37 East, Undesignated East Lovington-Pennsylvanian Pool, the NW/4 SE/4 of said Section 32 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit for said pool. Said location is approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 9279: Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard gas spacing and proration unit comprising the E/2 SE/4 of Section 15, Township 17 South, Range 32 East, Undesignated Maljamar-Queen Gas Pool, to be dedicated to its Federal U.S.A. "C" Well No. 2 located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of said Section 15. Said well is located approximately 2 miles South-Southeast of Maljamar, New Mexico.

CASE 9280: Application of Lewis B. Burluson, Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for existing State A-7 Well No. 2 located 1650 feet from the South and East lines (Unit J) of Section 7, Township 19 South, Range 37 East, Eumont Gas Pool, and the simultaneous dedication of the previously approved 158.9-acre non-standard gas spacing and proration unit consisting of Lot 3, NE/4 SW/4, and N/2 SE/4 of said Section 7 (Division Order No. R-4481, dated February 14, 1973), to this well and to the existing State A-7 Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 7. Said unit is located approximately 1 mile south of the Northern Natural Gas Company (ENRON) Hobbs Gasoline Plant.

Dockets Nos. 1-88 and 2-88 are tentatively set for January 6, and January 20, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 16, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for January, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9238: (Continued from December 2, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Sammal-Queen and the Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Hoover "ADR" State Well No. 6 located 330 feet from the South line and 990 feet from the West line (Unit M) of Section 1, Township 17 South, Range 33 East. Said well is located approximately 8 miles south of Maljamar, New Mexico.

CASE 9275: Application of Sun Exploration and Production Company for amendment of Division Order No. R-6483, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6483 by authorizing its proposed State "A" A/C-2 Well No. 73 to be drilled at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11, Township 22 South, Range 36 East, Jalmat Gas Pool. Said well is to be simultaneously dedicated, along with the State "A" A/C-2 Wells Nos. 14, 36, 42 and 62 located in Units B, M, E, and K, respectively, of said Section 11, to the 640-acre standard Jalmat gas proration unit comprising all of said Section 11, previously authorized by said Order No. R-6483. The subject well location is approximately 5 miles southwest of Eunice, New Mexico.

CASE 9240: (Continued from December 2, 1987, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling or, in the alternative, an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 35, Township 24 North, Range 1 West, forming a standard 640-acre oil spacing and proration unit in said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. In the alternative, applicant seeks approval of a 320-acre non-standard oil spacing and proration unit in said pool consisting of the E/2 of said Section 35 to be dedicated to a well to be drilled at an unorthodox oil well location 890 feet from the North line and 840 feet from the East line (Unit A) of said Section 35. Said location is approximately 7 miles east-southeast of Lindrith, New Mexico.

CASE 9235: (Reopened) (Continued from December 2, 1987, Examiner Hearing)

Application of Conoco Inc. for an exception to Division Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its Buffalo Federal Lease into an unlined pit located in the NW/4 SW/4 of Section 18, Township 18 South, Range 32 East. Said area is located on the Lea County side of the Lea/Eddy County line approximately 3.75 miles south of Mile Post No. 4 located on New Mexico Highway 529.

CASE 9276: Application of Marathon Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 1550 feet from the West line (Unit N) of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, all of said Section 20 to be dedicated to said well forming a non-standard 631.58-acre gas spacing and proration unit for said pool which is developed on 640-acre spacing. Said location is approximately 2.5 miles east of the Marathon Oil Company's Indian Basin Gas Plant.