

## BURLESON &amp; HUFF

OIL PROPERTIES

BOX 2479 - PHONE 683-4747

MIDLAND, TEXAS 79702

January 10, 1979

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

Re: Case No. 5900  
Order No. R-5436

Gentlemen:

Burleson & Huff desires to get approval for a replacement well on the Coll A lease located in the NE/4 of Section 29, T-25-S, R-37-E, Lea County as shown on the enclosed plat. Our Coll A-#1 was completed as a Jalmat well in 1973. This well, in the last two years, has been non-commercial and we request your approval to drill a new well, being the Coll A #2 located 330 feet from the east and 1980 feet from the north lines of Section 29 as a replacement well for this 160 acre proration unit. Attached hereto are monthly volumes, gross revenues, operating expenses and royalties and taxes which show that this well has been producing in the red. This is very evident in the last two or three months where the income is negligible. Attached is my certification that our Coll A #1 will be plugged within 60 days of completion of the replacement well. Attached is the AFE for the drilling of this new well which was sent to Atlantic Richfield Company as they own 12½% of this lease with Burleson & Huff owning 87½%.

Yours very truly,

BURLESON & HUFF

  
Lewis B. Burleson

LBB/sw

Enc:

BURLESON & HUFF  
Coil 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

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

1978 - \$1100.65, average of \$91.72 per month

## BURLESON &amp; HUFF

OIL PROPERTIES

BOX 2479 - PHONE 683-4747

MIDLAND, TEXAS 79702

January 10, 1979

I, Lewis B. Burleson, Co-Owner of Burleson, Huff, do hereby certify that the Coll A # 1 well will be plugged or recompleted as a Langlie-Mattix Queen producer within 60 days after the new replacement well, the Coll A # 2, is put on production as a Jalmat gas well for the proration unit covering the NE/4 of Section 29, T-25-S, R-37-E, Lea County, New Mexico.

  
Lewis B. Burleson

THE STATE OF TEXAS    I

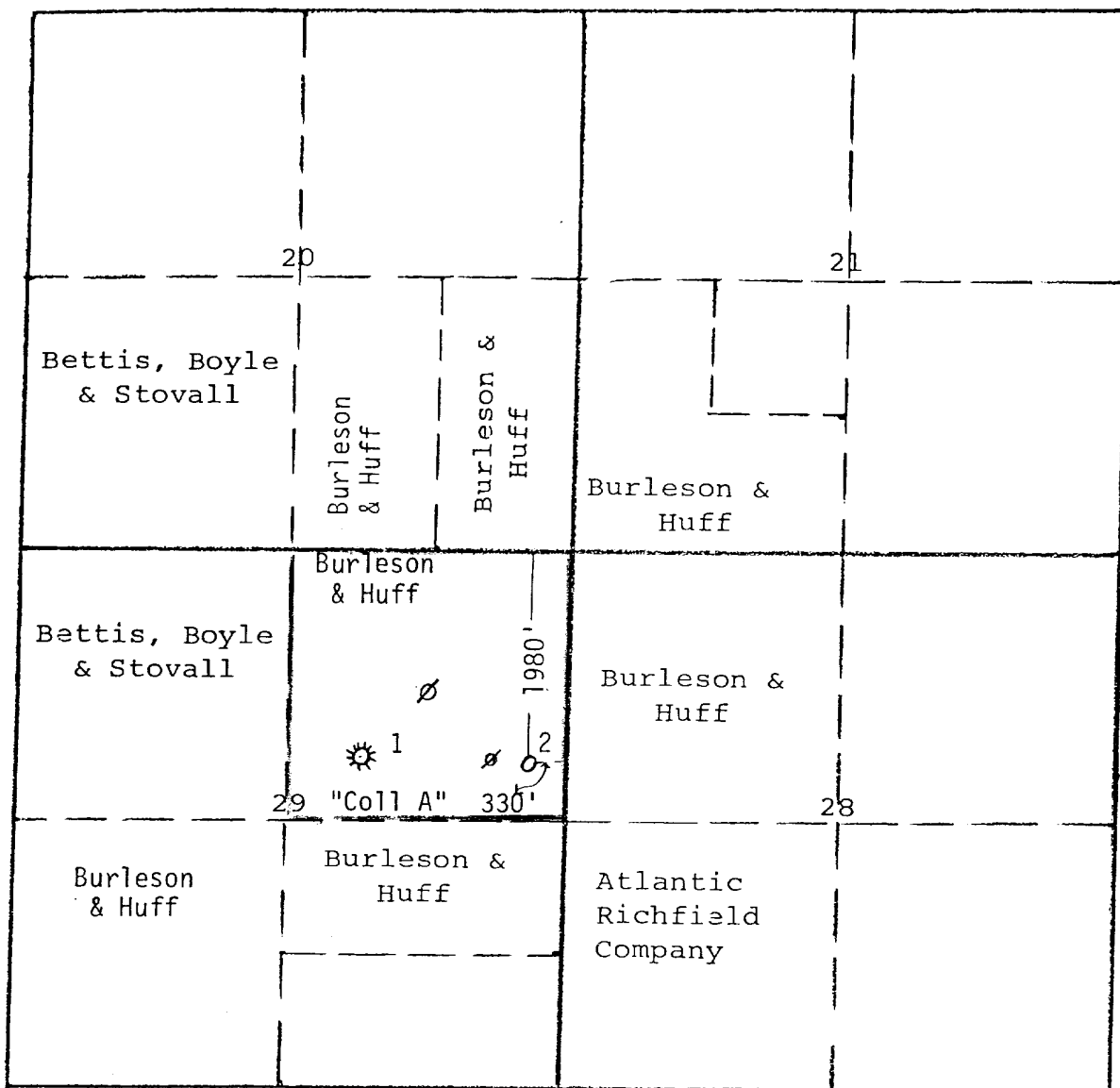
COUNTY OF MIDLAND    I

The foregoing instrument was acknowledged before me this 10th day of January, 1979 by Lewis B. Burleson.

My Commission Expires:

August 13, 1979

  
Notary Public



TOWNSHIP 25 SOUTH, RANGE 37 EAST

LEA COUNTY, NEW MEXICO

Scale: 3 inches = 1 mile

LEWIS B. BURLESON  
and JACK HUFF  
AUTHORITY FOR EXPENDITURE

LEASE NO. \_\_\_\_\_ APPR. NO. \_\_\_\_\_  
LEASE NAME Coll WELL NO. 2-A W. I. Atlantic - 1/8  
COUNTY Lea STATE New Mexico FIELD Jalmat  
LOCATION: 1960' from the north and 660' from the east lines of Sec. 29, T-25-S, R-37-E

DRILLING INTANGIBLES:

	PRODUCER	DRY HOLE
1. Drilling Cost <u>3400</u> Feet @ <u>9.50</u> Per Foot	<u>32,300</u>	<u>32,300</u>
2. Day Work <u>2 days @ 3,000 per day</u>	<u>6,000</u>	<u>6,000</u>
3. Coring Service _____ Well Surveys <u>X</u>	<u>4,500</u>	<u>4,500</u>
4. Testing _____		
5. Fuel _____ Water <u>X</u>	<u>3,500</u>	<u>3,500</u>
6. Mud <u>X</u> Mud Logging _____	<u>3,000</u>	<u>3,000</u>
7. Cementing Service <u>X</u> Cement <u>X</u> Floats <u>X</u>	<u>7,000</u>	<u>7,000</u>
8. Company Labor _____ Contract Labor _____		
9. Digging Pits <u>X</u> Filling Pits _____	<u>1,000</u>	<u>1,000</u>
10. Roads & Bridges <u>X</u> Dredging & Grading _____	<u>1,000</u>	<u>1,000</u>
11. Acidizing <u>X</u> Fracturing <u>X</u> Perforating <u>X</u>	<u>22,000</u>	
12. Plugging _____		<u>2,000</u>
13. Trucking Cost _____		
14. Development Superintendence <u>10</u> days @ \$ <u>200</u> /day	<u>2,000</u>	<u>2,000</u>
15. Rental Equipment _____		
16. Swabbing and Testing <u>10 days @ 500.</u>	<u>5,000</u>	
17. Other Costs <u>10%</u>	<u>8,000</u>	
Total Intangibles	<u>95,300</u>	<u>62,300</u>

WELL EQUIPMENT:

18. Casing <u>950</u> Ft. of <u>8-5/8</u> @ <u>7.00</u> Per Ft.		
<u>3400</u> Ft. of <u>4-1/2</u> @ <u>3.50</u> Per Ft.		
	<u>18,550</u>	
19. Tubing <u>3400</u> Ft. of <u>2-3/8</u> @ <u>1.75</u> Per Ft.	<u>5,950</u>	
20. Casing Head _____	<u>1,500</u>	
21. Xmas Tree or Pumping Connections _____		
22. Pumping Unit _____		
23. Engine _____		
24. Sucker Rods _____		
25. Pump _____		
26. Tank Battery _____		
27. Separator or Dehydration Equip. _____	<u>1,000</u>	
28. Metering Equipment _____		
29. Flow Lines _____		
30. Other _____		
Total Tangibles	<u>27,000</u>	
TOTAL COST OF WELL	<u>122,300</u>	<u>59,300</u>

REMARKS: Drill flowing gas well as replacement for Coll No. 1-A. Attached is a log  
on our Coll No. 1 that produced gas with some water. Had 800 SIP. New well  
would receive top price for gas. Will drill in January or February 1979.  
Will convert No. 1-A to Queen producer.

Prepared by L. B. Burleson Title Owner Date 10-24-78  
Approved \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_