



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

July 19, 2005

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702

Telefax No. (432) 682-7616

Attention: Steve Hartman, Engineer

Administrative Order NSP-566-A
(Administrative Reinstatement of Division Order No. R-3832)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 7, 2005 (***administrative application reference No. pMES0-520035424***); (ii) your e-mail to Mr. Michael E. Stogner, Engineer with the Division in Santa Fe on Monday, June 20, 2005 checking on the status of this application; and (iii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-566 and Division Case No. 4196: all concerning your request on behalf of the operator Doyle Hartman, Oil Operator ("Hartman") for an exception to Rule 2 (A) of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, and to reinstate a previously approved non-standard 350.92-acre gas spacing unit in the Jalmat Gas Pool (79240) comprising Lots 1 through 4, the NW/4 NE/4, and the E/2 W/2 of Section 18, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

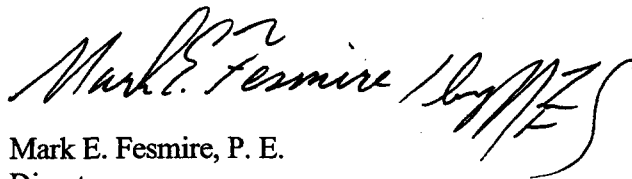
By Division Order No. R-3832, issued in Case No. 4196 on September 8, 1969, this 350.92-acre non-standard gas spacing unit was established for Jalmat gas production from Continental Oil Company's: (i) Stevens "B-18" Well No. 1 (API No. 30-025-10791) located 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 18, which well was plugged and abandoned in December, 1969; (ii) Stevens "B" Well No. 15 (API No. 30-025-10792) located 1650 feet from the North and West lines (Unit F) of Section 18, which well was plugged and abandoned in September, 1996; and (iii) Stevens "B" Well No. 16 (API No. 30-025-10793) located 1650 feet from the South and West lines (Unit K) of Section 18, which well was also plugged and abandoned in September, 1996.

It is the Division's understanding that Hartman now intends to re-enter both the aforementioned Stevens "B" Wells No. 15 and 16 and reestablish gas production from the Jalmat interval.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, the above-described 350.92-acre non-standard Jalmat gas spacing unit initially authorized by Division Order No. R-3832 is hereby restored. Further, Hartman is authorized to simultaneously dedicate Jalmat gas production to this 350.92-acre non-standard gas spacing unit from the above-described Stevens "B" Wells No. 15 and 16.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire" followed by a stylized flourish or set of initials.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: Division Administrative Order NSP-566
Division Case No. 4196