



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 22, 1999

Raptor Resources, Inc.
P. O. Box 160430
Austin, Texas 78716-0430
Attention: Bill R. Keathly

Administrative Order NSL-2722-D (SD)

Dear Mr. Keathly:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on September 2, 1999; and (ii) the Division's records in Santa Fe: all concerning Raptor Resources, Inc.'s ("Raptor") request for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Order No. R-9073, dated December 14, 1989 [Paragraph No. (17) of Exhibit "A"] and had dedicated thereon the following four wells:

- (1) State "A" A/C-1 Well No. 24 (API No. 30-025-09402), located at a standard gas well location 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 24;
- (2) State "A" A/C-1 Well No. 25 (API No. 30-025-09403), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 24;
- (3) State "A" A/C-1 Well No. 32 (API No. 30-025-09404), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 24; and
- (4) State "A" A/C-1 Well No. 53 (API No. 30-025-09407), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 24.

By Division Administrative Order NSL-2722, dated December 6, 1989, the following two described wells located at unorthodox gas well locations were approved for this GPU:

- (1) State "A" A/C-1 Well No. 50 (**API No. 30-025-09405**), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24; and
- (2) State "A" A/C-1 Well No. 107 (**API No. 30-025-20975**), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 24.

By Division Administrative Order NSL-2722-A, dated January 26, 1990, another well for this GPU, the State "A" A/C-1 Well No. 52 (**API No. 30-025-09406**), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 24 was also approved.

Subsequent to the issuance of Division Administrative Order NSL-2722-A, an additional well was completed in this GPU, the State "A" A/C-1 Well No. 126 (**API No. 30-025-31045**), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 24.

By Division Administrative Order NSL-2722-B, dated July 1, 1991, another well for this GPU, the State "A" A/C-1 Well No. 54 (**API No. 30-025-09409**), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 24 was also approved.

By Division Administrative Order NSL-2722-C, dated January 13, 1992, another well for this GPU, the State "A" A/C-1 Well No. 108 (**API No. 30-025-20976**), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 24 was also approved.

The Division's records indicate that the aforementioned State "A" A/C-1 Wells No. 24 and 25 were plugged and abandoned in 1994 and 1992, respectively, therefore both wells can now be omitted from this GPU.

It is our understanding that the subject well to be considered at this time is currently completed in the South Eunice-Seven Rivers-Queen Pool, however it is to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well located at an unorthodox Jalmat gas well location in Section 24 is hereby approved:

Administrative Order NSL-2722-D(SD)
Raptor Resources, Inc.
September 22, 1999
Page 3

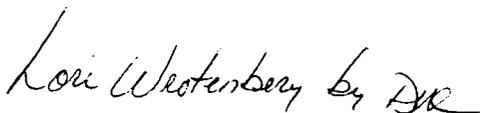
**State "A" A/C-1 Well No. 17
660' FS & EL (Unit P)
(API No. 30-025-09401).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Well No. 17 with the State "A" A/C-1 Wells No. 32, 50, 52, 53, 54, 107, 108, and 126. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 480-acre GPU from all nine of these wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2722, NSL-2722-A, NSL-2722-B, and NSL-2722-C shall remain in full force and affect until further notice.

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

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-2722
NSL-2722-A /
NSL-2722-B
NSL-2722-C

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

January 13, 1992



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Clayton W. Williams, Jr., Inc.
3000 Claydesta National Bank Building
Six Desta Drive
Midland, Texas 79705

Attention: David G. Grafe

Administrative Order NSL-2722-C(SD)

Dear Mr. Grafe:

Reference is made to your application dated December 5, 1991 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (17) of Exhibit "A") and had dedicated thereon the State "A" A/C-1 Well Nos. 24, 25, 32, and 53 located, respectively, in Units N, F, J and E of said Section 24 to this proration unit.

By Division Administrative Orders NSL-2722, NSL-2722-A, and NSL-2722-B four more wells, the State "A" A/C-1 Well Nos. 50, 52, 54, and 107, located at unorthodox gas well locations in Units O, K, I and L, respectively, of said Section 24 were approved for the subject GPU. Authorization was also given in said administrative orders to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 52, 53, 54 and 107 to the subject GPU.

Subsequent to the issuance of said Administrative Order NSL-2722-A, an additional well was completed in the subject GPU, the State "A" A/C-1 Well No. 126 located at a standard gas well location for this particular sized proration unit in Unit C of said Section 24.

Administrative Order NSL-2722-C(SD)
Clayton W. Williams, Jr., Inc.
January 10, 1992
Page 2

It is our understanding that the subject well in this application is temporarily abandoned in the Langlie-Mattix Pool, however, said well will be plugged back to the Jalmat Gas Pool upon issuance of this order.

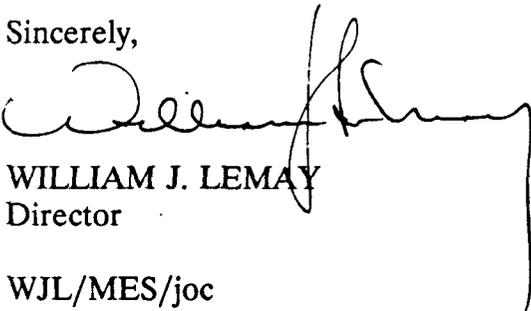
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location in said Section 24 is hereby approved:

State "A" A/C-1 Well No. 108
660' FS & WL (Unit M)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well No. 108 with the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 52, 53, 54, 107 and 126; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions of Division Administrative Order NSL-2722, dated December 6, 1989, Order NSL-2722-A, dated January 26, 1990, Order NSL-2722-B(SD) dated July 1, 1991, and those provisions applicable to the subject GPU in Division Order No. R-9073 (Paragraph No. (17) of Exhibit "A") shall remain in full force and effect until further notice.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/joc

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775
NSL-2722 ✓
NSL-2722-B

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

July 1, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 2700
Midland, Texas 79705

Attention: Jay Cherski

Administrative Order NSL-2722-B(SD)

Dear Mr. Cherski:

Reference is made to your application dated October 3, 1990 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 (Paragraph No. (17) of Exhibit "A") and had dedicated thereon the State "A" A/C-1 Well Nos. 24, 25, 32, and 53 located, respectively, in Units N, F, J and E of said Section 24 to this proration unit.

By Division Administrative Orders NSL-2722 and NSL-2722-A, dated December 6, 1989 and January 26, 1990, respectively, three more wells, the State "A" A/C-1 Well Nos. 50, 52, and 107, located at unorthodox gas well locations in Units O, K, and L, respectively, of said Section 24 were approved for the subject GPU. Authorization was also given in said administrative orders to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 52, 53, and 107 to the subject GPU.

Subsequent to the issuance of said Administrative Order NSL-2722-A, an additional well was completed in the subject GPU, the State "A" A/C-1 Well No. 126 located at a standard gas well location for this particular sized proration unit in Unit C of said Section 24.

Administrative Order NSL-2722-B(SD)
Hal J. Rasmussen Operating, Inc.
July 1, 1991
Page 2

It is our understanding that the subject well in this application is temporarily abandoned in the Langlie-Mattix Pool, however, said well will be plugged back to the Jalmat Gas Pool upon issuance of this order.

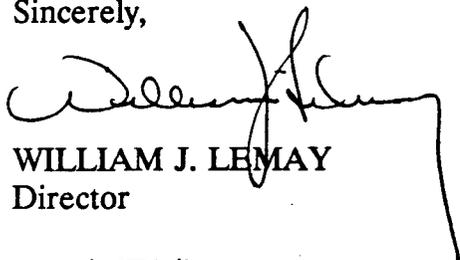
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location in said Section 24 is hereby approved:

State "A" A/C-1 Well No. 54
1980' FSL & 660' FEL (Unit I)

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well No. 54 and 126 with the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 52, 53, and 107; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions of Division Administrative Order NSL-2722, dated December 6, 1989, Order NSL-2722-A, dated January 26, 1990, and those provisions applicable to the subject GPU in Division Order No. R-9073 (Paragraph No. (17) of Exhibit "A") shall remain in full force and effect until further notice.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/joc

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775
NSL-2722



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 26, 1990

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

Administrative Order NSL-2722-A

Dear Mr. Cherski:

Reference is made to your application of December 20, 1989 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. R-9073, dated December 14, 1989 and had dedicated thereon the State "A" A/C-1 Well Nos. 24, 25, 32 and 53 located, respectively, in Units N, F, J and E of said Section 24 to this proration unit.

By Division Administrative Order NSL-2722, dated December 6, 1989, two additional wells, the State "A" A/C-1 Well Nos. 50 and 107, located at unorthodox gas well locations in Units O and L, respectively, were approved for the subject GPU.

It is our understanding that the subject well in this application is currently producing from the Langlie-Mattix Pool, however, said well will be plugged back to the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

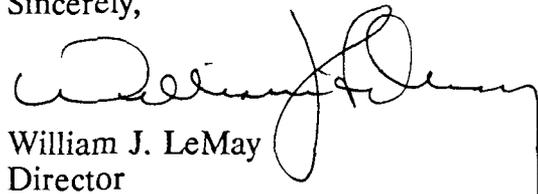
State "A" A/C-1 Well No. 52
1980' FS & WL (Unit K)

Administrative Order NSL-2722-A
Hal J. Rasmussen Operating, Inc.
January 29, 1990
Page 2

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well No. 52 with the State "A" A/C-1 Well Nos. 24, 25, 32, 50, 53 and 107; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

All provisions of Division Administrative Order NSL-2722, dated December 6, 1989 and those provisions applicable to the subject GPU in Division Order No. R-9073 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style and is positioned above the typed name and title.

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775



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

GARREY CARRUTHERS
GOVERNOR

January 25, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention : Jay Cherski

RE: Application for an unorthodox gas well location; State "A" a/c-1 Well No. 108, 660' FS & WL (Unit M), 24-T23S-R36E, Jalmat Gas Pool, Lea County, New Mexico. Division Case No. 9865.

Dear Mr. Cherski:

Per your letter dated January 19, 1990, the subject application, which was originally filed for administrative review on January 2, 1990 and was subsequently set for hearing after an objection was received from ARCO Oil and Gas Company, is hereby withdrawn and is being returned to you at this time. Division Case No. 9865 will be dismissed at the February 7, 1990 Examiner Hearing. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
William F. Carr - Santa Fe
Case File No. 9865

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

OIL CONSERVATION DIVISION
RECEIVED

'90 JAN 24 AM 10 05

January 19, 1990

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. Michael E. Stogner

Re: Administrative Application for
an Unorthodox Gas Well Location;
State "A" A/C 1 Well No. 108,
660 feet from the South and West
lines (Unit M), Section 24,
Township 23 South, Range 36 East,
NMPM, Jalmat Gas Pool, Lea
County, New Mexico

Dear Mr. Stogner:

In reference to your letter dated 1/10/90, concerning ARCO's objection to our application for an unorthodox location on the State "A" A/C 1 #108, with this letter we are hereby cancelling our application for the State "A" A/C 1 #108.

It is our understanding that the hearing scheduled for 2/07/90 will be cancelled and our application for an unorthodox location on the State "A" A/C 1 #52 can now be approved administratively.

Attached is a copy of the waiver letters we sent ARCO for both the State "A" A/C 1 #107 and the State "A" A/C 1 #52. If you have any questions or need any further information please let me know at (915) 687-1664.

Sincerely,

HAL J. RASMUSSEN OPERATING, INC.



Jay Cherski

JC/nh

cc: OCD - Hobbs

HAL J. RASMUSSEN OPERATING, INC. REGISTRATION DIVISION
SIX DESTA DRIVE, SUITE 5850 RECEIVED
MIDLAND, TEXAS 79705
(915) 687-1664 '90 JAN 2 PM 1 16

December 20, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico 87501

RE: Administrative Approval of an Unorthodox Well Location
State "A" a/c 1 # 108
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. LeMay,

Hal J. Rasmussen Operating Inc. respectfully requests administrative approval to recomplete the State A a/c 1 # 108 at an unorthodox well location, located 660 ft FSL and 660 ft FWL of Section 24, T23S R36E, Lea County, New Mexico. The State "A" a/c 1 # 108 is currently TA'd in the Langlie Mattix Pool.

The offset operators have been notified of this application by certified mail. Copies of the return receipts will be forwarded when received. Attached is a plat showing the location of the State "A" a/c 1 # 108, and the proration unit the well will be included in. A list of offset operators has also been attached.

If you need any further information regarding this request, please call me at (915) 687-1664.

Thank-you for your consideration.

Sincerely,


Jay Cherski

CC: New Mexico Oil Conservation Division District 1 Office
P.O. Box 1980
Hobbs, New Mexico 88240

1/3/90
Dick Prentis w/ ARCO
sending an objection.

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hal J. Rasmussen Operating, Inc.		Lease State A A/C 1		Well No. 108
Unit Letter M	Section 24	Township 23 S	Range 36 E	County Lea
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line				
Ground level Elev. 3352	Producing Formation TANSELL - YATES	Pool Jalmat-TNSL-YTS-7R	Dedicated Acreage: 480 Acres	

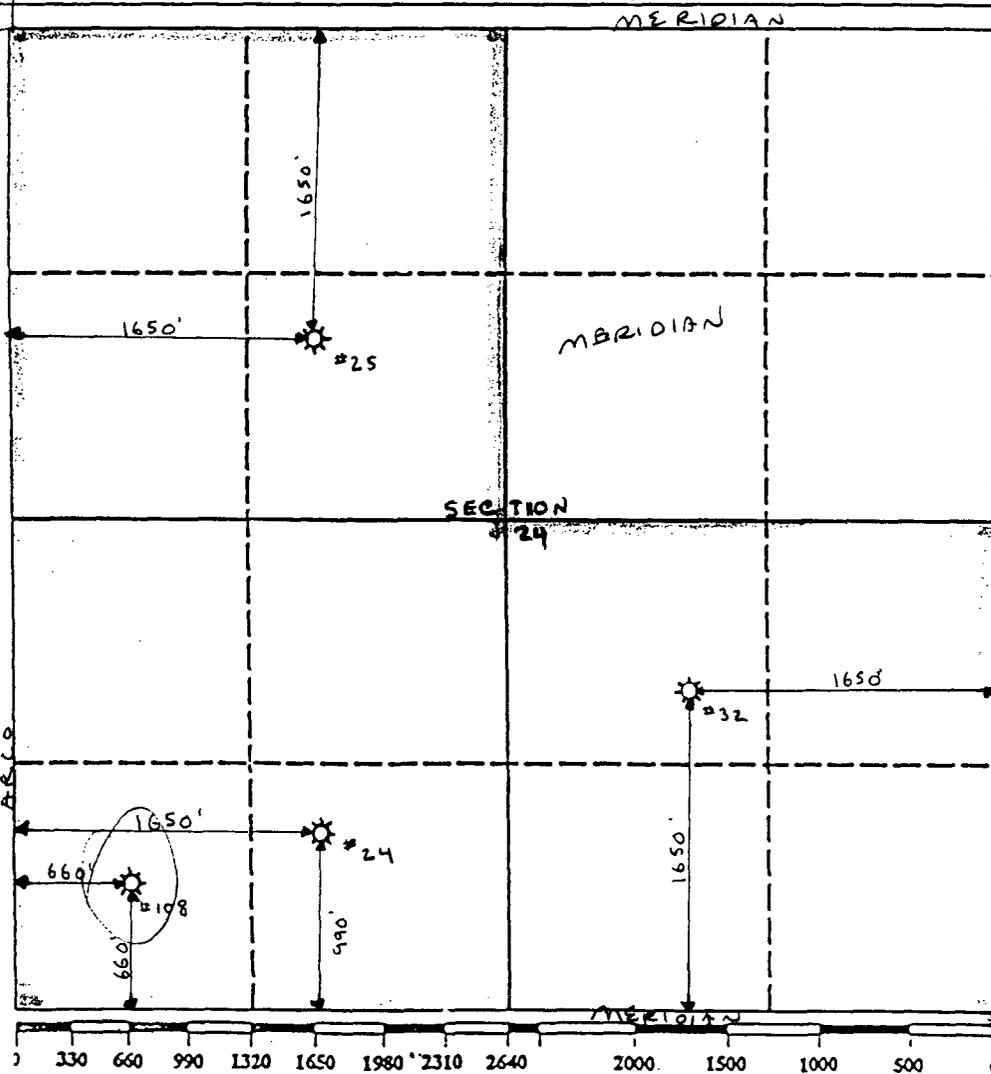
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.

CONOCO



OPERATOR CERTIFICATION

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

Signature: *Jay D. Cherski*

Printed Name: Jay D. Cherski

Position: Agent

Company: Hal J. Rasmussen Operating, Inc.

Date: 12/20/89

SURVEYOR CERTIFICATION

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: _____

Signature & Seal of Professional Surveyor: _____

Certificate No.: _____

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

State A account 1 = 108

Arco

Ms. Cindy Ellis

P.O.Box 670

Hobbs, New Mexico 88240

Meridian

Mr. James Cramer

21 Desta Drive

Midland , Texas 79705

Conoco

Mr. Hugh Ingram

P. O. Box 460

Hobbs, New Mexico 88240

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies

OIL CONSERVATION DIVISION
RECEIVED
90 JAN 4 AM 9 01

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM, 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

30-025-20976

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:

OL. WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name

State A A/C 1

2. Name of Operator

Hal J. Rasmussen Operating, Inc.

8. Well No.

108

3. Address of Operator

Six Desta Drive, Suite 5850, Midland, Texas 79705

9. Pool name or Wildcat

Jalmat TNSL-YTS-7R

4. Well Location

Unit Letter M : 660 Feet From The South Line and 660 Feet From The West Line

Section 24 Township 23 S Range 36 E NMPM Lea County

10. Proposed Depth
PBTD

11. Formation
7R

12. Rotary or C.T.

13. Elevations (Show whether DF, RT, GR, etc.)

3352 G.L

14. Kind & Status Plug. Boon

Current State Wide

15. Drilling Contractor

16. Approx. Date Work will start

1/02/90

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11	7 5/8	24	324	350	
6 3/4	4 1/2	9.5	3685	250	

Current Status - Langlie Mattix

Proposed Operations:

- 1) Set CIBP at 3350 (Above L-M Perfs)
- 2) Perforate Jalmat 2700-3230
- 3) Acidize
- 4) Frac
- 5) Put on pump.

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.

SIGNATURE Jay Cherski TITLE Agent DATE 12/21/89

TYPE OR PRINT NAME Jay Cherski TELEPHONE NO. 915-687-1664

(This space for State Use)

APPROVED BY [Signature] DISTRICT 1 SUPERVISOR DATE JAN 03 1990

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval Date Unless workover Drilling Underway.

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

I.

Operator Hal J. Rasmussen Operating, Inc.	Well API No. LINGO 21710
Address Six Desta Drive, Suite 5850, Midland, Texas 79705	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of: <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Change in name
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator: Hal J. Rasmussen, 306 W. Wall, Suite 600, Midland, Texas 79701	

II. DESCRIPTION OF WELL AND LEASE

Lease Name State A Ac 1	Well No. 108	Pool Name, including Formation Langlie Mattix SR Qu GB	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter <u>M</u> : <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>24</u> Township <u>23 S</u> Range <u>36 E</u> NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Texas New Mexico Pipeline Co.	Box 42130, Houston, Texas 77242
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
El Paso Nat'l Gas & Phillips 66 Nat'l Gas	Box 1492, El Paso, Texas 79978
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When?

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.D.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT		

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Dbbl.	Water - Dbbl.	Gas- MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Dbbl. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Wm. Scott Ramsey
Signature
Wm. Scott Ramsey General Manager
Printed Name
July 13, 1989 Date
915-687-1664 Title
Telephone No.

OIL CONSERVATION DIVISION
AUG 21 1989

Date Approved _____
By Jerry Sexton
Title DISTRICT 1 SUPERVISOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE
RECEIVED
90 JAN 4 AM 9 00

1-2-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-8161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL X _____ + SA
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Hal J Rasmussen Operating Inc. State A A/c-1 #108-7M
Operator Lease & Well No. Unit S-T-R 24-23-36

and my recommendations are as follows:

OE

Yours very truly

Jerry Sexton

Jerry Sexton
Supervisor, District 1

/ed

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

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

12/20/89

Dear Mr. Ingram,

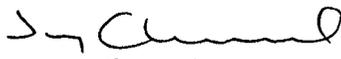
In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplete the State "A" a/c 1 well no. 108, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FSL and 660 feet FWL of Section 24, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

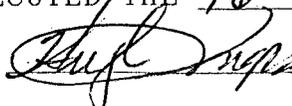
Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 16th DAY OF JAN 1980

BY  _____

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

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

12/20/89

Dear Mr. Ingram,

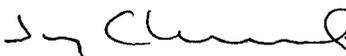
In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplete the State "A" a/c 1 well no. 52, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 1980 feet FSL and 1980 feet FWL of Section 24, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

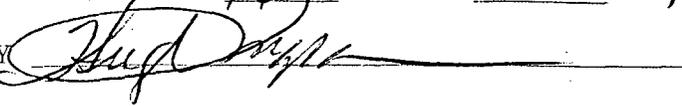
Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 16TH DAY OF JAN. 1990

BY 

HAL J. RASMUSSEN OPERATING, INC. CONSERVATION DIVISION
SIX DESTA DRIVE, SUITE 5850 RECEIVED
MIDLAND, TEXAS 79705
(915) 687-1664 '90 JAN 2 PM 1 16

December 20, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico 87501

RE: Administrative Approval of an Unorthodox Well Location
State "A" a/c 1 # 52
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. LeMay,

Hal J. Rasmussen Operating Inc. respectfully requests administrative approval to recomplete the State A a/c 1 # 52 at an unorthodox well location, located 1980 ft FSL and 1980 ft FWL of Section 24, T23S R36E, Lea County, New Mexico. The State "A" a/c 1 # 52 is currently TA'd in the Langlie Mattix Pool.

The offset operators have been notified of this application by certified mail. Copies of the return receipts will be forwarded when received. Attached is a plat showing the location of the State "A" a/c 1 # 52, and the proration unit the well will be included in. A list of offset operators has also been attached.

If you need any further information regarding this request, please call me at (915) 687-1664.

Thank-you for your consideration.

Sincerely,


Jay Cherski

CC: New Mexico Oil Conservation Division District 1 Office
P.O. Box 1980
Hobbs, New Mexico 88240

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

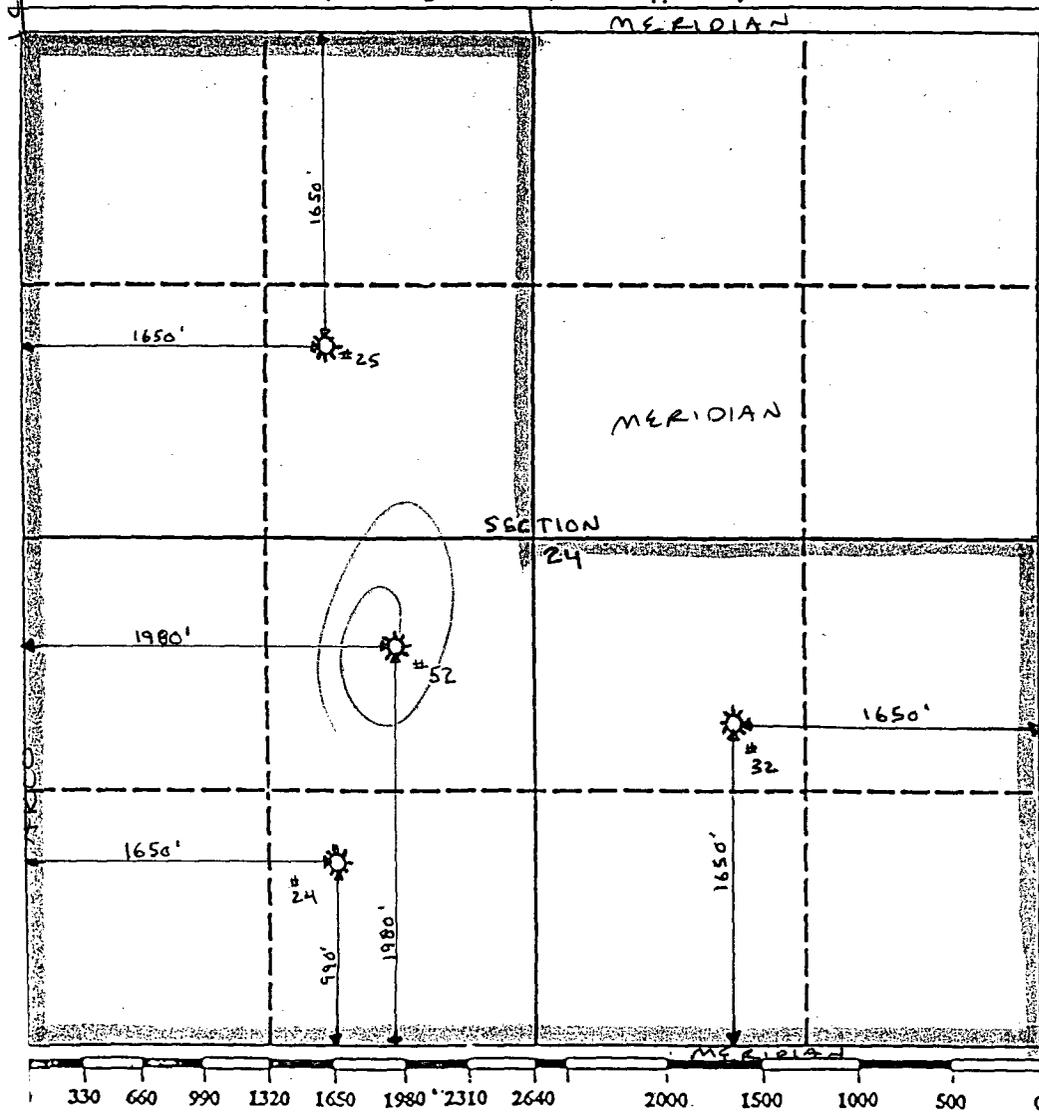
All Distances must be from the outer boundaries of the section

Operator Hal J. Rasmussen Operating, Inc.			Lease State A A/C 1		Well No. 52
Unit Letter K	Section 24	Township 23 S	Range 36 E	County Lea	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the WEST line					
Ground level Elev. 3346	Producing Formation TANSILL-YATES	Pool Jalmat-TNSL-YTS-7R		Dedicated Acreage: 480 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: *Jay D. Cherski*

Printed Name: Jay D. Cherski

Position: Agent

Company: Hal J. Rasmussen Operating, Inc.

Date: 12/20/89

SURVEYOR CERTIFICATION

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: _____

Signature & Seal of Professional Surveyor: _____

Certificate No.: _____

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

State A account 1 # 52

Arco

Ms. Cindy Ellis

P.O.Box 670

Hobbs, New Mexico 88240

Meridian

Mr. James Cramer

21 Desta Drive

Midland , Texas 79705

Conoco

Mr. Hugh Ingram

P. O. Box 460

Hobbs, New Mexico 88240

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department
 OIL CONSERVATION DIVISION

Form C-101
 Revised 1-1-89

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

30-025-09406

5. Indicate Type of Lease

STATE

FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:

OIL WELL GAS WELL OTHER

SINGLE ZONE

MULTIPLE ZONE

7. Lease Name or Unit Agreement Name

State A A/C 1

2. Name of Operator

Hal J. Rasmussen Operating, Inc.

8. Well No.

52

3. Address of Operator

Six Desta Drive, Suite 5850, Midland, Texas 79705

9. Pool name or Wildcat

Jalmat TNSL-Yts-7R

4. Well Location

Unit Letter K : 1980 Feet From The South Line and 1980 Feet From The West Line

Section 24 Township 23 S Range 36 E NMPM Lea County

10. Proposed Depth
 PBTD

11. Formation
 7R

12. Rotary or C.T.

13. Elevations (Show whether DF, RT, GR, etc.)

3346 G.L.

14. Kind & Status Plug. Boord

Current State Wide

15. Drilling Contractor

16. Approx. Date Work will start

1/02/89

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2	8 5/8	24	335	300	Surface
7 7/8	5 1/2	14	3656	250	

Current Status - Langlie Mattix

Proposed Operations:

- 1) Set CIBP @ 3500 (Above Langlie Mattix perms)
- 2) Perforate Jalmat 2740-3270
- 3) Acidize
- 4) Frac
- 5) Put on pump.

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.

SIGNATURE Jay Cherski TITLE Agent DATE 12/21/89

TYPE OR PRINT NAME Jay Cherski TELEPHONE NO. 915-687-1664

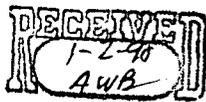
(This space for State Use)

APPROVED BY Jerry Sexton TITLE DISTRICT 1 SUPERVISOR

DATE JAN 03 1990

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval Date Unless Drilling Underway.
workover



HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

OIL CONSERVATION
RECEIVED
'90 JAN 16 AM 10 13

Mr. Al Bohling
Chevron
P.O. Box 670
Hobbs, New Mexico 88240

12/20/89

Dear Mr. Bohling,

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplete the State "A" a/c 1 well no. 62, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FNL and 1980 feet FEL of Section 11, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 11 DAY OF January 1990
BY Alan W. Bohling
Special Projects Engineer

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

RECEIVED

I.

Operator Hal J. Rasmussen Operating, Inc.	Well API No. AUG 31 1989
Address Six Desta Drive, Suite 5850 - Midland, Texas 79705	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Recompletion <input type="checkbox"/>	Change in name
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator Hal J. Rasmussen, 306 W. Wall, Suite 600 - Midland, Texas 79701	

II. DESCRIPTION OF WELL AND LEASE

Lease Name State A A/C 1	Well No. 52	Pool Name, Including Formation Langlie Mattix SR Qu GB	Kind of Lease STATE EXCLUSIVE	Lease No.
Location Unit Letter <u>K</u> : 1980 Feet From The <u>South</u> Line and 1980 Feet From The <u>West</u> Line Section <u>24</u> Township <u>23 S</u> Range <u>36 E</u> , NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Texas New Mexico Pipeline Co.	Address (Give address to which approved copy of this form is to be sent) Box 42130, Houston, Texas 77242
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> El Paso Natural Gas Co.	Address (Give address to which approved copy of this form is to be sent) Box 1492, El Paso, Texas 79978
If well produces oil or liquids, give location of tanks.	Unit Sec. Twp. Rge. Is gas actually connected? When?

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas- MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Wm Scott Ramsey
Signature
Wm. Scott Ramsey General Manager
Printed Name Title
July 13, 1989 915-687-1664
Date Telephone No.

OIL CONSERVATION DIVISION

AUG 31 1989

Date Approved _____
By [Signature]
Title DISTRICT I SUPERVISOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

RECEIVED
90 JAN 4 AM 9 00

1-2-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____
NSL	X _____ + 20
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Hal J. Rasmussen Oper. Inc. State A A/C-1 #52-K 24-23-36
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE
RECEIVED
90 JAN 4 AM 9 00

1-2-90

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88401-1980
(505) 383-2161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____ + SA
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Hal J. Rasmussen Operating Inc. State A A/c-1 #108-7M
 Operator Lease & Well No. Unit S-T-R 24-23-36

and my recommendations are as follows:

OF

Yours very truly

Jerry Sexton
Supervisor, District 1

/ed

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. 9775
ORDER NO. R-9073

APPLICATION OF HAL J. RASMUSSEN
OPERATING INC. FOR NON-STANDARD
GAS PRORATION UNITS, UNORTHODOX
GAS WELL LOCATIONS, SIMULTANEOUS
DEDICATION AND SPECIAL GAS METERING
PROVISIONS, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of December, 1989, 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) At the time of the hearing this case was consolidated with Division Case Nos. 9774 and 9776 for the purpose of testimony.
- (3) The applicant in this matter, Hal J. Rasmussen Operating Inc., is the operator of its State "A" Lease Accounts 1 and 2 (State of New Mexico Oil and Gas Lease No. A-983) and State "A" Lease Account 3 (State of New Mexico Oil and Gas Lease No. B-1484) covering mineral rights under certain lands in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico.
- (4) The interests under both of said state leases are individually common throughout.
- (5) The Jalmat Gas Pool covers the acreage which is the subject of this

Case No. 9775
Order No. R-9073
Page No. 2

application and is governed by Special Rules and Regulations, as promulgated by Division Order No. R-8170, as amended, which provide for 640-acre spacing and designated well locations.

(6) Applicant now seeks to redesignate the existing gas spacing and proration units in the Jalmat Gas Pool on their acreage by the formation of 16 non-standard gas proration units and one standard 640-acre gas proration unit in the Jalmat Gas Pool as further described in Exhibit "A" attached hereto and made a part hereof.

(7) The applicant also seeks approval of all unorthodox gas well locations for the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A."

(8) The applicant further seeks special metering provisions for Jalmat gas production whereby the operator would meter the total gas production from each of the 17 aforementioned units and allocate this production back to each well on its respective unit by means of a periodic testing of the wells thereon.

(9) The applicant has recently assumed gas purchaser/transporter responsibility for the acreage which is the subject of this order and by this application seeks to reduce production and transportation costs in the area and to more efficiently operate its properties by consolidating production facilities and eliminating unnecessary equipment.

(10) Each of the aforementioned units may reasonably be presumed productive of gas from the Jalmat Gas Pool and each of the non-standard gas proration units can be efficiently and economically drained and developed by the aforementioned wells.

(11) The applicant further testified that approval of the subject application will lower costs and permit the production of gas reserves within the Jalmat Gas Pool underlying this area which would otherwise not be recovered thereby preventing waste.

(12) Doyle Hartman, an operator in the Jalmat Gas Pool, appeared and objected to this application; however, there were no offsetting operators objecting to this application.

(13) The operator of each of the aforementioned Jalmat gas spacing and proration units should allocate the production to each well on its respective proration unit on the basis of well tests. The applicant proposed that this testing procedure will provide that one of the wells on the proration unit will be flowing through the testing meter for a 48-hour period with each well being tested in turn throughout the month. The remaining wells on the proration unit will be flowing through a field production meter. The daily amount of gas credited to the wells on the unit would be the total production

Case No. 9775
Order No. R-9073
Page No. 3

through the test meter and through the field meter. The production from individual proration units will be allocated back to each of the wells on that unit based upon the data derived from the periodic testing through the test meter.

(14) The applicant should file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other report or form required to be filed as operator of the proration unit and as transporter for the wells involved herein.

(15) The Division should be empowered to administratively rescind any portion of this order or require that a particular well or wells be metered individually if it should appear that such action would prevent waste and protect correlative rights.

(16) The area of the Hal J. Rasmussen Operating, Inc. State "A" Account 1, 2 and 3 Leases has been the subject of numerous orders establishing and re-aligning non-standard and standard Jalmat Gas Pool gas proration and spacing units as well as simultaneously dedicating a variety of wells at orthodox and unorthodox locations thereto. On Exhibit "B", attached hereto and made a part hereof, is a listing of all Division Orders known to have been issued relative to the property which is the subject of this hearing. These orders should be superceded to the extent that they are inconsistent with any provision of this order.

(17) Should it be found that any additional orders exist that are contradictory to any such order issued in this case, then such order should be superceded in a like manner as described above.

(18) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and should otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Hal J. Rasmussen Operating, Inc. to redesignate acreage in certain existing gas spacing and proration units in the Jalmat Gas Pool in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico, resulting in the formation of a standard 640-acre gas spacing and proration unit and 16 non-standard gas units, as further described in Exhibit "A", attached hereto and made a part hereof, is hereby approved.

Case No. 9775
Order No. R-9073
Page No. 4

IT IS FURTHER ORDERED THAT:

(2) The unorthodox gas well locations for all of the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A", is also approved.

FURTHERMORE, IT IS ORDERED THAT:

(3) Special metering provisions for Jalmat gas production within each of the aforementioned units, as described in Finding Paragraph No. (13) above, is hereby approved.

(4) The applicant shall file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other reports or forms required to be filed as operator of each proration unit and as transporter for the wells involved herein.

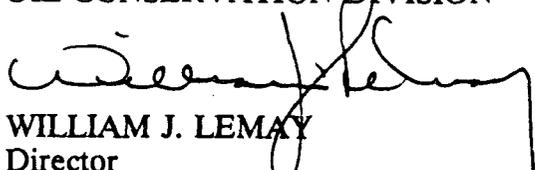
(5) The Division may administratively rescind any portion of this order or require a particular well or wells be metered individually if it should appear necessary to prevent waste and protect correlative rights.

(6) All known and subsequent Division Orders issued relative to any property which is the subject of this hearing (see Exhibit "B" attached hereto and made a part hereof) shall be superceded to the extent that they are inconsistent with any provision of this order.

(7) 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


WILLIAM J. LEMAY
Director

S E A L

EXHIBIT "A"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

PROPOSED NON-STANDARD JALMAT GAS PRORATION UNITS AND
JALMAT GAS WELL LOCATIONS

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

- 1) Section 5: Lots 3 and 4, S/2 NW/4, and S/2 comprising 480.50 acres, more or less, in State "A" A/C-2.

Well No. 44	1980' FN & WL	Unit F	NSL
Well No. 41	660' FS & WL	Unit M	NSL
Well No. 27	660' FS & EL	Unit P	NSL

- 2) Section 7: Lots 3 and 4, N/2 NE/4, SE/4 NE/4, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 comprising 393.06 acres, more or less, in State "A" A/C-2.

Well No. 5	660' FN & EL	Unit A	NSL
Well No. 12	1980' FSL & 660' FEL	Unit I	NSL
Well No. 8	660' FS & EL	Unit P	NSL

- 3) Section 8: All (*Standard 640-acre unit*) in State "A" A/C-2.

Well No. 49	660' FNL & 1980' FWL	Unit C	NSL
Well No. 43	1650' FNL & 990' FEL	Unit H	NSL
Well No. 56	1980' FS & EL	Unit J	Standard Location

- 4) Section 9: N/2 and SW/4 comprising 480 acres in State "A" A/C-2.

Well No. 40	990' FN & EL	Unit A	Standard Location
Well No. 63	990' FNL & 2310' FWL	Unit C	Standard Location
Well No. 38	1980' FS & WL	Unit K	NSL

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

- 5) Section 3: S/2 comprising 320 acres in State "A" A/C-1.

Well No. 30	1650' FSL & 990' FEL	Unit I	NSL
Well No. 35	1650' FSL & 990' FWL	Unit L	NSL

Case No. 9775
Order No. R-9073
Page No. 6

6) Section 4: Lots 1, 2, 3 and 4, and S/2 N/2 comprising 327.25 acres, more or less, in State "A" A/C-1.

Well No. 23	660' FNL & 2310' FEL	Unit B	Standard Location
Well No. 15	1980' FN & WL	Unit F	Standard Location
Well No. 87	1980' FN & EL	Unit G	Standard Location

7) Section 4: SW/4 and Section 9: N/2 NW/4, SW/4 NW/4, and SW/4 comprising 440 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

(Section 9)

Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL

8) Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4 and Section 10: W/2 comprising 480 acres in State "A" A/C-1.

(Section 10)

Well No. 37	1650' FN & WL	Unit F	Standard Location
Well No. 38	990' FS & WL	Unit M	Standard Location

9) Section 10: E/2 comprising 320 acres in State "A" A/C-3.

Well No. 1	990' FN & EL	Unit A	Standard Location
Well No. 2	1650' FSL & 990' FEL	Unit I	Standard Location

10) Section 11: N/2 and SW/4 comprising 480 acres in State "A" A/C-1.

Well No. 16	660' FN & EL	Unit A	NSL
Well No. 29	990' FNL & 1650' FWL	Unit C	Standard Location
Well No. 34	1650' FS & WL	Unit K	Standard Location

Case No. 9775
 Order No. R-9073
 Page No. 7

- 11) Section 13: N/2 and SW/4 and Section 14: NE/4 comprising 640 acres in State "A" A/C-1.

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL

- 12) Section 14: NW/4 and Section 15: N/2 comprising 480 acres in State "A" A/C-1.

(Section 14)

Well No. 28	1650' FN & WL	Unit F	Standard Location
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(Section 15)

Well No. 33	1650' FN & WL	Unit F	Standard Location
Well No. 31	1650' FN & 990' FEL	Unit H	Standard Location

- 13) Section 17: SE/4, Section 20: NE/4, and Section 21: N/2 NW/4 and SW/4 NW/4 comprising 440 acres in State "A" A/C-1.

(Section 17)

Well No. 39	1980' FS & EL	Unit J	NSL
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(Section 20)

Well No. 5 (Currently P & A'd)	1320' FNL & 660' FEL	Units A/H	NSL
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(Section 21)

Well No. 4	330' FNL & 1660' FWL	Unit C	NSL
Well No. 3	1650' FNL & 330' FWL	Unit E	NSL

Case No. 9775
 Order No. R-9073
 Page No. 8

- 14) Section 20: SE/4 and Section 21: NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 comprising 320 acres in State "A" A/C-2.

(Section 21)

Well No. 8	660' FSL & 1980' FEL	Unit O	NSL
------------	----------------------	--------	-----

- 15) Section 22: NE/4 NW/4, S/2 NW/4, and SW/4 comprising 280 acres in State "A" A/C-1.

Well No. 94	660' FNL & 1980' FWL	Unit C	NSL
Well No. 19	1650' FNL & 330' FWL	Unit E	NSL
Well No. 97	1980' FN & WL	Unit F	Standard Location
Well No. 1	330' FSL & 2310' FWL	Unit N	NSL

- 16) Section 23: N/2 comprising 320 acres in State "A" A/C-1.

Well No. 27	1650' FN & WL	Unit F	Standard Location
Well No. 26	1650' FN & EL	Unit G	Standard Location
Well No. 105	2080' FNL & 660' FEL	Unit H	NSL

- ~~17) Section 24: W/2 and SE/4 comprising 480 acres in State "A" A/C-1.~~

Well No. 53	1980' FNL & 660' FWL	Unit E	NSL
Well No. 25	1650' FN & WL	Unit F	Standard Location
Well No. 32	1650' FS & EL	Unit J	Standard Location
Well No. 24	990' FSL & 1650' FWL	Unit N	Standard Location

EXHIBIT "B"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

DIVISION ORDERS ISSUED RELATIVE TO THE PROPERTY
WHICH IS THE SUBJECT OF THIS HEARING.

Division Orders issued
prior to hearing

R-634
R-1364
R-2504
R-3188
R-3209
R-3264
R-3892
R-3893
R-4116
R-4361, as amended
R-4484

Division Administrative
Orders

NSP-406
NSP-518
NSP-614
NSP-615
NSP-1044
NSP-1108
NSL-1219



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 6, 1989

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

Administrative Order NSL-2722

Dear Mr. Cherski:

Reference is made to your application of November 7, 1989 for two unorthodox Jalmat gas well locations in an existing non-standard 480-acre gas spacing and proration unit for said Jalmat Gas Pool comprising the W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit was authorized by Division Administrative Order No. NSP-1044, dated March 23, 1977, and was the subject, in part, of Division Case No. 9775. Authorization was also given in said Order NSP-1044 to simultaneously dedicate the State "A" A/C-1 Well Nos. 24, 25 and 32 located, respectively, in Units N, F and J of said Section 11 to this proration unit.

It is our understanding that both of the subject wells in this application are either producing from or temporarily abandoned in the Langlie-Mattix Pool and that both wells will be plugged back to the Jalmat Gas Pool.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, both of the following described wells located at unorthodox gas well locations are hereby approved:

State "A" A/C-1 Well No. 50
660' FSL - 1980' FEL (Unit O); and

State "A" A/C-1 Well No. 107
1980' FSL - 660' FWL (Unit L).

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from both the State "A" A/C-1 Well Nos. 50 and 107 with the State "A" A/C-1 Well Nos. 24, 25 and 32; furthermore, you are hereby permitted to produce the allowable assigned the proration unit from all of the said wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
NM State Land Office - Santa Fe
Files: Case No. 9775
NSP-1044

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 8, 1990

HAND-DELIVERED

RECEIVED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

JAN 9 1990

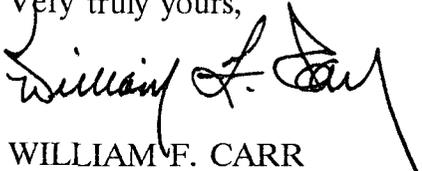
OIL CONSERVATION DIV.
SANTA FE

Re: Application of Hal J. Rasmussen Operating Inc. for a Non-Standard Gas
Well Location, Jalmat Gas Pool, Lea County, New Mexico

Dear Mr. LeMay:

This letter is to advise you that ARCO Oil and Gas Company hereby objects to the application of Hal J. Rasmussen for a non-standard gas well location in the Jalmat Gas Pool for its State "A" a/c 1 Well No. 108 which is proposed to be recompleted in the Jalmat formation at a location 660 feet from the South and West lines of Section 24, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico. ARCO requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR ARCO OIL AND GAS COMPANY
WFC:mlh

cc: Mr. Dick Prentiss
ARCO Oil and Gas Company
Post Office Box 1610
Midland, Texas 79702

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

OIL CONSERVATION DIVISION
RECEIVED

'90 JAN 12 AM 8 57

January 9, 1990

Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87504

Dear Mr. LeMay:

Enclosed are certified mail return receipts from the offset operators we notified concerning our recent applications for unorthodox locations.

If you have any questions or need any further information please let us know at (915) 687-1664. Thank you for your cooperation in this matter.

Sincerely,

HAL J. RASMUSSEN OPERATING, INC.



Jay Cherski

JC/nh

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

State A account 1 = 52

Arco

Ms. Cindy Ellis

P.O.Box 670

Hobbs, New Mexico 88240

Meridian

Mr. James Cramer

21 Desta Drive

Midland , Texas 79705

Conoco

Mr. Hugh Ingram

P. O. Box 460

Hobbs, New Mexico 88240

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mr. Jim Cramer Meridian Oil Corp. 21 Deste Drive Midland, Texas 79705	4. Article Number P 046 611 958 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 1-2-90	

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mr. Jim Moring Parker & Parsley P.O. Box 3178 Midland, Texas 79702	4. Article Number P 046 611 957 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery JAN 2 1990	

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Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mr. Hugh Ingram Conoco, Inc P.O. Box 400 Hobbs, New Mexico 88240	4. Article Number P 046 611 955 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
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7. Date of Delivery 1-2-90	

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Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mr. James Head Texaco P.O. Box 728 Hobbs, New Mexico 88240	4. Article Number P 046 611 952 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 1-2-90	

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3. Article Addressed to: Mr. Al Bohling Chevron P.O. Box 670 Hobbs, New Mexico 88240	4. Article Number P 046 611 954 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 1-2-90	

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Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Ms. Cindy Ellis Arco P.O. Box 1610 Midland, Texas 79702	4. Article Number P 046 611 956 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery JAN 2 1990	

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Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Mr. K. A. Freeman Tahoe Energy 4402 W. Industrial Midland, Texas 79703	4. Article Number P 046 611 953 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 1-2-90	

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HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

OIL CONSERVATION DIVISION
RECEIVED
'90 JAN 12 AM 8 57

January 9, 1990

Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87504

Dear Mr. LeMay:

Enclosed are certified mail return receipts from the offset operators we notified concerning our recent applications for unorthodox locations.

If you have any questions or need any further information please let us know at (915) 687-1664. Thank you for your cooperation in this matter.

Sincerely,

HAL J. RASMUSSEN OPERATING, INC.



Jay Cherski

JC/nh

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

State A account 1 # 108

Arco

Ms. Cindy Ellis

P.O.Box 670

Hobbs, New Mexico 88240

Meridian

Mr. James Cramer

21 Desta Drive

Midland, Texas 79705

Conoco

Mr. Hugh Ingram

P. O. Box 460

Hobbs, New Mexico 88240

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3. Article Addressed to:
 Mr. Jim Cramer
 Meridian Oil Corp.
 21 Decker Drive
 Midland, Texas 79705

4. Article Number:
 P 046 611 958

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
 1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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3. Article Addressed to:
 Mr. Jim Moring
 Parker & Parsley
 P.O. Box 3178
 Midland, Texas 79702

4. Article Number:
 P 046 611 957

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
 JAN 2 1990

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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3. Article Addressed to:
 Mr. Hugh Ingram
 Conoco, Inc.
 P.O. Box 460
 Hobbs, New Mexico 88240

4. Article Number:
 P 046 611 955

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X *[Signature]*

6. Signature - Agent
 X

7. Date of Delivery
 1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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3. Article Addressed to:
 Mr. James Head
 Texaco
 P.O. Box 728
 Hobbs, New Mexico 88240

4. Article Number:
 P 046 611 952

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X *[Signature]*

6. Signature - Agent
 X

7. Date of Delivery
 1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
 Show to whom delivered, date, and addressee's address. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Mr. Al Bohling
 Chevron
 P.O. Box 670
 Hobbs, New Mexico 88240

4. Article Number:
 P 046 611 954

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X *[Signature]*

6. Signature - Agent
 X

7. Date of Delivery
 1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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 Show to whom delivered, date, and addressee's address. Restricted Delivery (Extra charge)

3. Article Addressed to:
 Ms. Cindy Ellis
 Arco
 P.O. Box 1610
 Midland, Texas 79702

4. Article Number:
 P 046 611 956

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
 JAN 2 1990

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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3. Article Addressed to:
 Mr. K.S.A. Freeman
 Tahoe Energy
 4402 W. Industrial
 Midland, Texas 79703

4. Article Number:
 P 046 611 953

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address
 X

6. Signature - Agent
 X *[Signature]*

7. Date of Delivery
 1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT



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

GARREY CARRUTHERS
GOVERNOR

January 10, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

*RE: Administrative Application for an
Unorthodox Gas Well Location; State
"A" A/C-1 Well No. 108, 660 feet
from the South and West lines (Unit
M), Section 24, Township 23 South,
Range 36 East, NMPM, Jalmat Gas
Pool, Lea County, New Mexico.*

Dear Mr. Cherski:

This agency has received an objection from ARCO Oil and Gas Company to the subject filing in a timely manner; therefore, this application will be set for hearing before an Examiner on the next available docket scheduled for February 7, 1990. Also, since a filing for your State "A" A/C-1 Well No. 52 was for the same non-standard gas spacing and proration unit (GPU), both applications will be heard consecutively for administrative purpose and to minimize the number of orders existing for the subject GPU.

Please provide adequate notice for such an application prior to the hearing as required by Division General Rule 1207.

If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

OIL CONSERVATION DIVISION
RECEIVED

'90 JAN 24 AM 10 05

January 19, 1990

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. Michael E. Stogner

Re: Administrative Application for
an Unorthodox Gas Well Location;
State "A" A/C 1 Well No. 108,
660 feet from the South and West
lines (Unit M), Section 24,
Township 23 South, Range 36 East,
NMPM, Jalmat Gas Pool, Lea
County, New Mexico

Dear Mr. Stogner:

In reference to your letter dated 1/10/90, concerning ARCO's objection to our application for an unorthodox location on the State "A" A/C 1 #108, with this letter we are hereby cancelling our application for the State "A" A/C 1 #108.

It is our understanding that the hearing scheduled for 2/07/90 will be cancelled and our application for an unorthodox location on the State "A" A/C 1 #52 can now be approved administratively.

Attached is a copy of the waiver letters we sent ARCO for both the State "A" A/C 1 #107 and the State "A" A/C 1 #52. If you have any questions or need any further information please let me know at (915) 687-1664.

Sincerely,

HAL J. RASMUSSEN OPERATING, INC.



Jay Cherski

JC/nh

cc: OCD - Hobbs

HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

Ms. Cindy Ellis
Arco
P.O. Box 1610
Midland, Texas 79702

12/13/89

Dear Ms. Ellis,

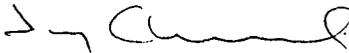
In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplete the State "A" a/c 1 well no. 108, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FSL and 660 feet FWL of Section 24, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE _____ DAY OF _____ 1989

BY _____

HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

Ms. Cindy Ellis
Arco
P.O. Box 1610
Midland, Texas 79702

12/13/89

Dear Ms. Ellis,

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplete the State "A" a/c 1 well no. 52, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 1980 feet FSL and 1980 feet FWL of Section 24, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.

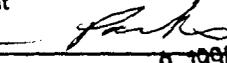

Jay Cherski

EXECUTED THE _____ DAY OF _____ 1989

BY _____

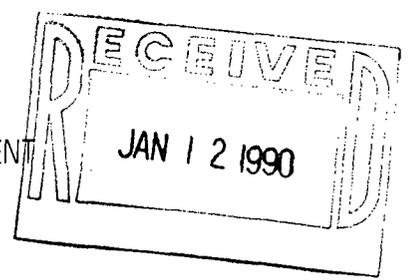
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1. Show to whom delivered, date, and addressee's address. (Extra charge) 2. Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p>Ms. Cindy Ellis Arco P.O. Box 1610 Midland, Texas 79702</p>	<p>4. Article Number</p> <p>P 046 611 956</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and <u>DATE DELIVERED</u>.</p>
<p>5. Signature — Address</p> <p>X</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature — Agent</p> <p>X </p>	
<p>7. Date of Delivery</p> <p>JAN 2 1998</p>	



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



GARREY CARRUTHERS
GOVERNOR

January 10, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

RE: Administrative Application for an Unorthodox Gas Well Location; State "A" A/C-1 Well No. 108, 660 feet from the South and West lines (Unit M), Section 24, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

Dear Mr. Cherski:

This agency has received an objection from ARCO Oil and Gas Company to the subject filing in a timely manner; therefore, this application will be set for hearing before an Examiner on the next available docket scheduled for February 7, 1990. Also, since a filing for your State "A" A/C-1 Well No. 52 was for the same non-standard gas spacing and proration unit (GPU), both applications will be heard consecutively for administrative purpose and to minimize the number of orders existing for the subject GPU.

Please provide adequate notice for such an application prior to the hearing as required by Division General Rule 1207.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner 505-827-5800
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs