



PETROLEUM AND ITS PRODUCTS

N/SR-506
See Dec 17 (waiting period)

ROSWELL DISTRICT

W. A. SHELLSHEAR
District Manager

E. S. GREAR
District Exploration Manager

M. I. TAYLOR
District Production Manager

G. A. PRICE
District Services Manager

GULF OIL CORPORATION

P. O. DRAWER 669 — ROSWELL, NEW MEXICO

November 9, 1959

FORT WORTH
PRODUCTION DIVISION

Application for 166.78 Acre
Non-Standard Gas Proration
Unit, Jalmat Gas Pool, Com-
prising the NE/4 of Section
2-23S-37E, Lea County, New
Mexico.

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Gulf Oil Corporation hereby makes application for approval of
a non-standard gas proration unit covering the NE/4 of Section 2-23S-37E,
Lea County, New Mexico, and in support thereof states the following facts:

1. Applicant is the owner and operator of an oil and gas lease known as its J. F. Janda "I" Lease located in the N/2 of Section 2-23S-37E, Lea County, New Mexico.
2. Applicant proposes that the NE/4 of Section 2-23S-37E, Lea County, New Mexico, be established as a non-standard 166.78 acre gas proration unit in exception to Rule 5 (a) of Order R-520.
3. Applicant is owner and operator of the J. F. Janda "I" Well No. 1 located 990 feet from the east line and 1650 feet from the north line of Section 2-23S-37E, Lea County, New Mexico. This well is completed as a gas well in the Jalmat Gas Pool. The applicant proposes to use this well as the unit well.
4. Applicant's J. F. Janda "I" Well No. 1 now has a 160 acre non-standard gas proration unit assigned which covers the NE/4 of Section 2; however, the NE/4 actually consists of 166.78 acres.
5. The proposed non-standard gas proration unit will meet the requirements of Rule 5 (b) of the Oil Conservation Commission Order No. R-520 as follows:

November 9, 1959

- (a) Contiguous quarter-quarter sections will comprise the unit.
- (b) The proposed unit lies wholly within a single governmental section.
- (c) All acreage within the proposed unit may reasonably be presumed productive of gas.
- (d) The length or width of the proposed unit does not exceed 5,280 feet.
- (e) By copy of this letter of application, all operators owning interest in the Section in which the proposed unit is located and all operators within 1500 feet of a proposed unit well are notified by registered mail of the intent of Gulf Oil Corporation to form the proposed non-standard gas proration unit (See attached addressee list).

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission Order No. R-520, Gulf Oil Corporation requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Respectfully Submitted,

GULF OIL CORPORATION

BY *W. A. Shellshear*
District Manager

cc: Oil Conservation Commission
Post Office Box 2045
Hobbs, New Mexico

cc: REGISTERED MAIL - RETURN RECEIPT REQUESTED

El Paso Natural Gas Company
Post Office Box 1384
Jal, New Mexico

Skelly Oil Company
Post Office Box 38
Hobbs, New Mexico

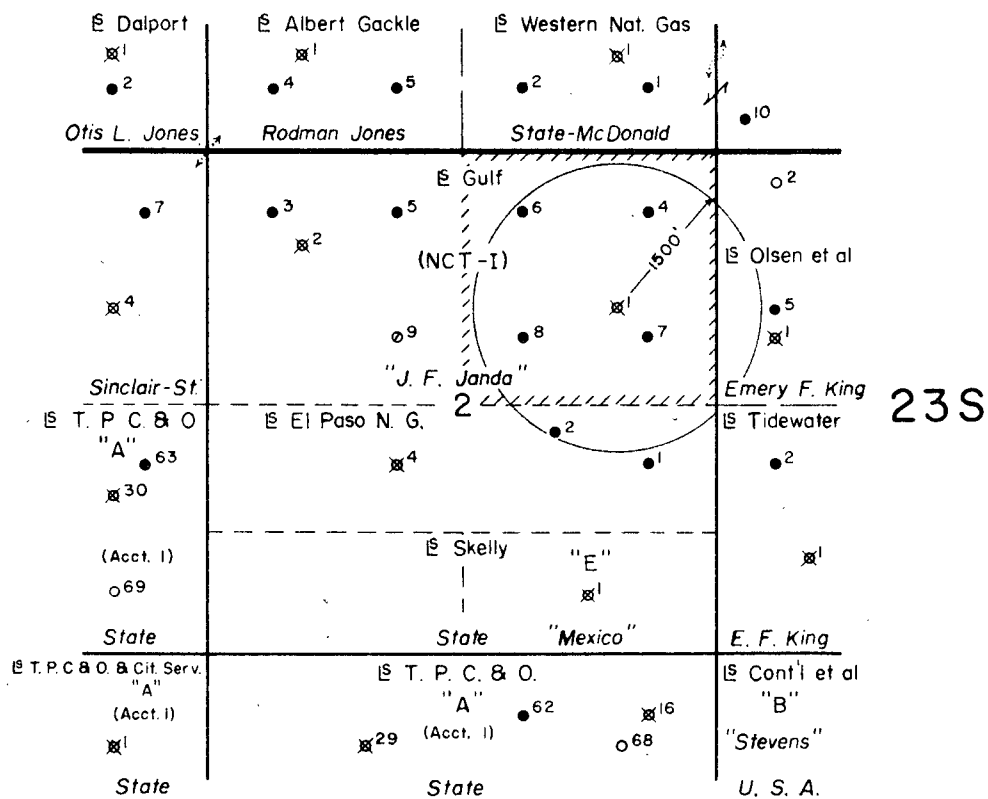
Shell Oil Company
Post Office Box 845
Roswell, New Mexico

Olsen Oil Company
Drawer Z
Jal, New Mexico

Tidewater Associated Oil Company
Post Office Box 1404
Houston, Texas

Attention: Mr. J. B. Holloway

36E



GULF OIL CORPORATION
FORT WORTH PRODUCTION DIVISION
Scale 1" = 2000'

Plat Accompanying Application for
166.78-acre Non-Standard Gas Unit
(Jalmat Gas Pool)

Gulf - J. F. Janda "I" Lease

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

September 10, 1973

C
O
P
Y
Gulf Oil Company - U. S.
P. O. Box 670
Hobbs, New Mexico 88240

Attention: Mr. C. D. Borland

Administrative Order NSP-928

Gentlemen:

Reference is made to your application for a 332.64-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 2: N/2

It is understood that this unit is to be dedicated to your J. F. Janda (NCT-1) Well No. 1, located 1650 feet from the North line and 990 feet from the East line of said Section 2 and your J. F. Janda (NCT-1) Well No. 2, located 990 feet from the North line and 990 feet from the West line of said Section 2.

By authority granted me under the provisions of Rule 104 D II, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/dr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Proration Department, OCC - Santa Fe
State Land Office - Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

NSP-506

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 13, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Arch Petroleum, Inc.
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87504

REINSTATEMENT of Division Administrative Order NSP-928 (L) (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Arch Petroleum, Inc. ("Arch"), initially submitted to the New Mexico Oil Conservation Division ("Division") on April 30, 2004 (*administrative application reference No. pSEM0-412431231*); (ii) the Division's response by letter dated June 16, 2004 from Mr. Michael E. Stogner, Hearing Officer/Engineer in Santa Fe, requesting that notification as required be furnished; (iii) your reply by letter dated June 24, 2004 with the necessary supplemental information to complete the application; and (iv) the Division's records in Santa Fe: all concerning Arch's request for exceptions to Rules 2 (A), 3 (A) (2), and 3 (C) 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 332.64-acre gas spacing unit in the Jalmat Gas Pool (**79240**) comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 23 South, Range 36 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, and Division Memorandum of Interpretation dated June 8, 2004.

From the Division's records and from the information provided in your application, it is understood that by Division Administrative Order NSP-928, dated September 10, 1973, this 332.64-acre non-standard gas spacing unit was initially established for Jalmat gas production from Gulf Oil Company's J. F. Janda (NCT-1) Wells: (i) No. 1 (**API No. 30-025-09210**) located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 2; and (ii) Well No. 2 (**API No. 30-025-09211**), located at a standard gas well location 990 feet from the North and West lines (Lot 4/Unit D) of Section 2. This unit and the provisions of the order terminated when the last Jalmat gas well on the unit, the J. F. Janda (NCT-I) Well No. 2 operated by Chevron U.S.A., Inc.'s ceased producing in September, 1987.

It is the Division's understanding that Arch now intends to reintroduce Jalmat gas production within the N/2 equivalent of Section 2 with the two following-described replacement wells recently drilled at unorthodox gas well locations:

ARCH PETROLEUM, INC.

REINSTATEMENT of Division Administrative Order NSP-928 (L) (SD)

AUGUST 13, 2004

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(1) J. F. Janda (NCT-1) Well No. 11 (API No. 30-025-36396), spud on January 24, 2004 and located 560 feet from the North line and 2310 feet from the East line (Lot 2/Unit B) of Section 2; and

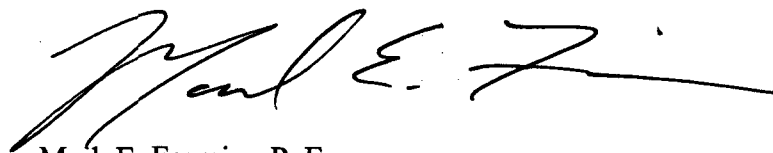
(2) J. F. Janda (NCT-1) Well No. 12 (API No. 30-025-36406), spud on January 30, 2004 and located 1890 feet from the North line and 1650 feet from the West line (Unit F) of Section 2.

By the authority granted me under the provisions of Rules 4 (C) and (D) of the special rules now governing the Jalmat Gas Pool, the subject 332.64-acre non-standard Jalmat gas spacing unit comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2 is hereby restored, and Division Administrative Order NSP-928, September 10, 1973, shall be reinstated and the applicable provisions set forth shall be reestablished as to its initial extent and not in conflict with this order.

Further, by the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool: (i) the two above-described unorthodox Jalmat gas well locations for Arch's J. F. Janda (NCT-1) Wells No. 11 and 12 are hereby approved; and (ii) Arch is authorized to simultaneously dedicate Jalmat gas production to this 332.64-acre non-standard gas spacing unit from the two aforementioned wells.

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

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/mes

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: NSP-928
NSP-505
~~NSP-506~~