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

RECEIVED

IN THE MATTER OF THE APPLICATION OF DOYLE HARTMAN, OIL OPERATOR FOR APPROVAL OF A NON-STANDARD GAS PRORATION UNIT AND COMPULSORY POOLING FOR THE EUMONT POOL, LEA COUNTY, **NEW MEXICO** 

FFB 1 3 1990

OIL CONSERVATION DIV. SANTA FE

CASE NO. 9885

### APPLICATION

Applicant DOYLE HARTMAN, OIL OPERATOR hereby applies to the Oil Conservation Division ("Division") for an order approving the creation of one of two proposed non-standard Eumont gas proration units consisting of either 200 acres, or alternatively 160 acres, both of the proposed non-standard proration units comprising portions of Sections 5 and 8, Township 20 South, Range 37 East, Lea County, New Mexico. Pursuant to §70-2-17 N.M.S.A. 1978, Applicant also applies to the Division for an order pooling all mineral interests in the Eumont Gas Pool in and under the nonstandard gas proration unit so created. In support thereof, Applicant would show the Division, as follows:

> Applicant is a working interest owner in the NE/4 NW/4 of Section 8, and in the SE/4 SW/4 of Section 5, T20S, R37E, Lea County, New Mexico and has the right to drill, develop or otherwise produce such tracts.

- 2. Chevron, U.S.A., Inc. has made application to the Division for approval of a 160 acre non-standard Eumont gas proration unit comprising the W/2 NE/4, SE/4 NE/4 and the SE/4 NW/4 of Section 8, T20S, R37E, Lea County, New Mexico, and the simultaneous dedication of such acreage to its Bertie Whitmire No. 1 and No. 2 wells. Chevron's proposal will isolate several smaller, non-producing, non-dedicated tracts, located in Sections 5 and 8, including those in which Applicant owns an interest, which tracts will not be economically feasible to further develop due to a combination of current low allowable rates, low gas prices, and the current costs of redevelopment. Chevron's proposed non-standard Eumont gas proration unit will adversely affect the correlative rights of those isolated tracts by draining those tracts which would no longer be feasible to develop if the Division approves Chevron's proposed non-standard Eumont gas proration unit.
- 3. Applicant proposes the creation of a non-standard gas proration unit consisting of 200 acres, being the E/2 W/2 of Section 8 and the SE/4 SW/4 of Section 5, T20S, R37E, Lea County, New Mexico, as shown on Exhibit "A" attached hereto.
- 4. In the alternative, Applicant proposes the creation of a non-standard gas proration unit consisting of 160 acres, being the N/2 NE/4, NE/4 NW/4 of Section 8 and the SE/4 SW/4 of Section 5, T20S, R37E, Lea County, New Mexico, as shown on Exhibit "B" attached hereto.

- 5. The creation of one of the two non-standard gas proration units proposed herein is necessary to prevent waste and protect correlative rights.
- 6. Applicant further proposes to dedicate all production from the Eumont Gas Pool to the non-standard gas proration unit which is determined, in the hearing requested below, to best prevent waste and protect correlative rights.
- 7. Applicant proposes to dedicate all production from the Eumont Gas
  Pool in either of the proposed non-standard gas proration units to
  the Britt "B-8" No. 1 well located 660 feet from the north boundary
  line and 1980 feet from the west boundary line of said Section 8,
  which well would then be redesignated as the Britt "B-8" Com. No.
  1 well, plus one additional infill well to be drilled at a standard
  location within the non-standard gas proration unit which is
  determined, in the hearing requested below, to best prevent waste
  and protect correlative rights.
- 8. The pooling of interests within the non-standard gas proration unit to be so created will avoid the drilling of unnecessary wells, prevent waste, protect correlative rights and permit all parties to obtain their just and fair share of the Eumont production underlying such unit.
- 9. Pursuant to the applicable notice requirements, Applicant has notified by certified mail, return receipt, all parties listed on Exhibit "C" attached hereto of this application and the date of the hearing requested below.

WHEREFORE, Applicant prays this matter be set for hearing before a duly appointed Examiner of the Division on March 7, 1990, and, after the notice and hearing required by law, that the Division enter an order approving the creation of one of the two non-standard gas proration units proposed herein and also approving the pooling of the minerals interest therein for the Eumont Gas Pool. Applicant further prays it be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom its costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such infill well, plus an equitable and proper percentage of the value of the existing wellbore of the Britt "B-8" No. 1 well, and all costs of supervision and operation of such unit, and that such order also provide for any other relief which may be deemed equitable and proper.

Respectfully submitted,

**GALLEGOS LAW FIRM** 

By Ham, J. Mutter

J.E. GALLEGOS HARRY T. NUTTER

141 East Palace Avenue

Santa Fe, New Mexico 87501

(505) 983-6686

ATTORNEYS FOR DOYLE HARTMAN, OIL OPERATOR

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ARCO. Sinc)	PROPOSED 200 ACRE NON-STANDARD PRORATION UNIT CONSISTING OF THE E/2 W/2 SECTION 8 AND THE SE/4 SW/4 SECTION 5, T20S, R37E, LEA COUNTY, NEW MEXICO, AND SHOWING LOCATION OF THE EXISTING BRITT "B-8" NO. 1 WELL.	ARCO  Burom: 5 B Richer-  Son, et al.  ARCO  Richer-  Son, et al.  ARCO  Richer-  Son, et al.
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### EXHIBIT "C"

Attached to and made part of the Application by Doyle Hartman, Oil Operator for Approval of Non-Standard Gas Proration Unit and Compulsory Pooling for the Eumont Gas Pool, Lea County, New Mexico

## OFFSET ELMONT (GAS) OPERATORS AND PRORATION UNITS TO THE PROPOSED 200 ACRE AND 160 ACRE NON-STANDARD GAS PRORATION UNITS, SECTIONS 8 AND 5, T20S, R37E, LEA COUNTY, NEW MEXICO

Chevron USA,Inc. P.O. Box 1635 Houston, Texas 77251 Mr. Ray Vaden	Chevron USA, Inc. P.O. Box 1635 Houston, Texas 77251 Mr. Ray Vaden	Texaco Producing Co. P.O. Box 3109 Midland, Texas 79702 Mr. Steve Chandler	Marathon Oil Co. P.O. Box 552 Midland, Texas 79702 Mr. John F. Strong	Amerada Hess Corp. P.O. Box 2040 Tulsa, Oklahoma 74102 Mr. G.E. Miller	Exxon USA Mr. D. Mendell, III P.O. Box 1600 Midland, Texas 79702	Oxy USA, Inc. P.O. Box 50250 Midland, Texas 79710 Mr. Charles Dickinson	OPERATOR & ADDRESS
Theodore Anderson #4 Theodore Anderson #7	Theodore Anderson #1	L. Van Etten #1	W.H. Laughlin #3	V. Laughlin #4	Eumont Gas "Com-1" #1 Eumont Gas "Com-1" #2	Laughlin "B" #5	LEASE & WELL NAME(S)
В-17-20S-37E H-17-20S-37E	0-08-20S-37E	L-09-20S-37E	G-09-20S-37E	A-09-20S-37E	J-04-20S-37E L-04-20S-37E	0-05-20S-37E	GAS WELL LOCATION(S)
NE/4, E/2 NW/4 Sec. 17, T-20-S, R-37-E	SE/4 Sec. 8, T-20-S, R-37-E	SW/4 Sec. 9, T-20-S, R-37-E	S/2 N/2 Sec. 9, T-20-S, R-37-E	N/2 N/2 Sec. 9, T-20-S, R-37-E	Sec. 4, T-20-S, R-37-E	SE/4 Sec.5, T-20-S, R-37-E	UNIT DESCRIPTION
240	160	160	160	160	640	160	NUMBER OF ACRES

Exhibit "C", Page "1"

Texaco Producing Co. P.O. Box 3109 Midland, Texas 79702 Mr. Steve Chandler	Marathon Oil Co. P.O. Box 552 Midland, Texas Mr. John F. Strong	Amerada Hess Corp. P.O. Box 2040 Tulsa, Oklahoma 74102 Mr. Jim Crandall Mr. G.E. Miller	Arco Oil & Gas Co. P.O. Box 1610 Midland, Texas 79702	R.B. Honeyman, Jr. P.O. Box 60503 Pasadena, CA 91106
J.W. Cooper #5	Bertha Barber #11	E.S. Adkins #3	Barber Gas "Com" #1	Wulff State #2
G-05-20S-37E	D-05-208-37E	M-05-208-37E	E-08-20S-37E	E-17-20S-37E
NE/4 Sec. 5, T-20-S, R-37-E & S/2 SE/4 Sec. 32, T-19-S, R-37-E	S/2 SW/4 Sec. 32, T-19-S, R-37-E, NW/4 & N/2 SW/4 Sec. 5, T-20-S, R-37-E	SW/4 SW/4 Sec. 5, T-20-S, R-37-E	E/2 E/2 Sec. 7 & W/2 W/2 Sec. 8, T-20-S, R-37-E	W/2 NW/4 Sec. 17, T-20-S, R-37-E
240	320	40	320	80

# WORKING INTEREST OWNERS TO BE FORCED POOLED IN PROPOSED MON-STANDARD GAS PRORATION UNITS IN SECTIONS 8 AND 5, T20S, R37E, LEA COUNTY, NEW MEXICO

## Section 5: SW/4 SW/4

Union Texas Petroleum P.O. Box 2120 Houston, Texas 77252-2120 Mr. Rod Cranford

Doyle Hartman
P.O. Box 10426
Midland, Texas 79701
James A. Davidson
P.O. Box 494
Midland, Texas 79702

Phillips Petroleum Company 4001 Penbrooke Odessa, Texas 79761 Mr. Frank Hulse

Exhibit "C", Page "2"

James E. Burr F.O. Box 50233 Midland, Texas 79701

Ruth Sutton 2826 Moss Midland, Texas 79702 Jack Fletcher

Jack Fletcher
P.O. Box 10887
Midland, Texas 79702
Larry Nermyr
P.O. Box 4106
Sidney, Montana 59270

Section 8: NE/4 NW/4

Doyle Hartman

Section 8: NE/4 NE/4

Oxy USA, Inc. P.O. Box 50250 Midland, Texas 79710 Mr. Charles Dickinson

Section 8: SE/4 NW/4 and NW/4 NE/4

Chevron USA, Inc. P.O. Box 200027 Houston, Texas 77216-0027 Mr. Ray Vaden

Section 8: E/2 SW/4

Amerada Hess Corporation P.O. Box 2040 Tulsa, Oklahoma 74102 Mr. Jim Crandall Mr. G.E. Miller

Exhibit "C", Page "3"