

**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**

FEB 13 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 non-standard gas proration unit so created. In support thereof, Applicant would show the Division, as follows:

1. 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 *Harry T. Nutter*

J.E. GALLEGOS

HARRY T. NUTTER

141 East Palace Avenue

Santa Fe, New Mexico 87501

(505) 983-6686

ATTORNEYS FOR DOYLE

HARTMAN, OIL OPERATOR

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.

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.

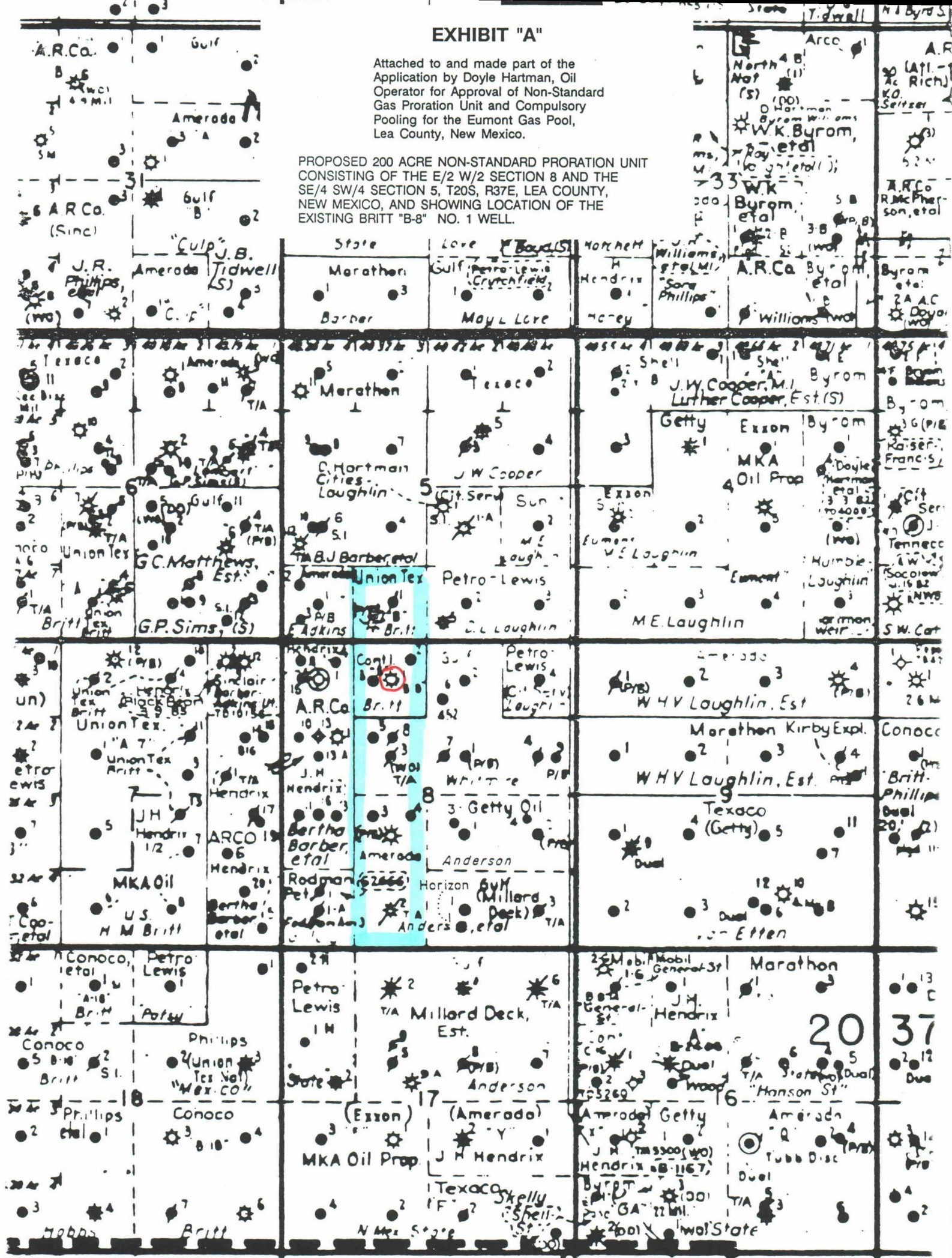
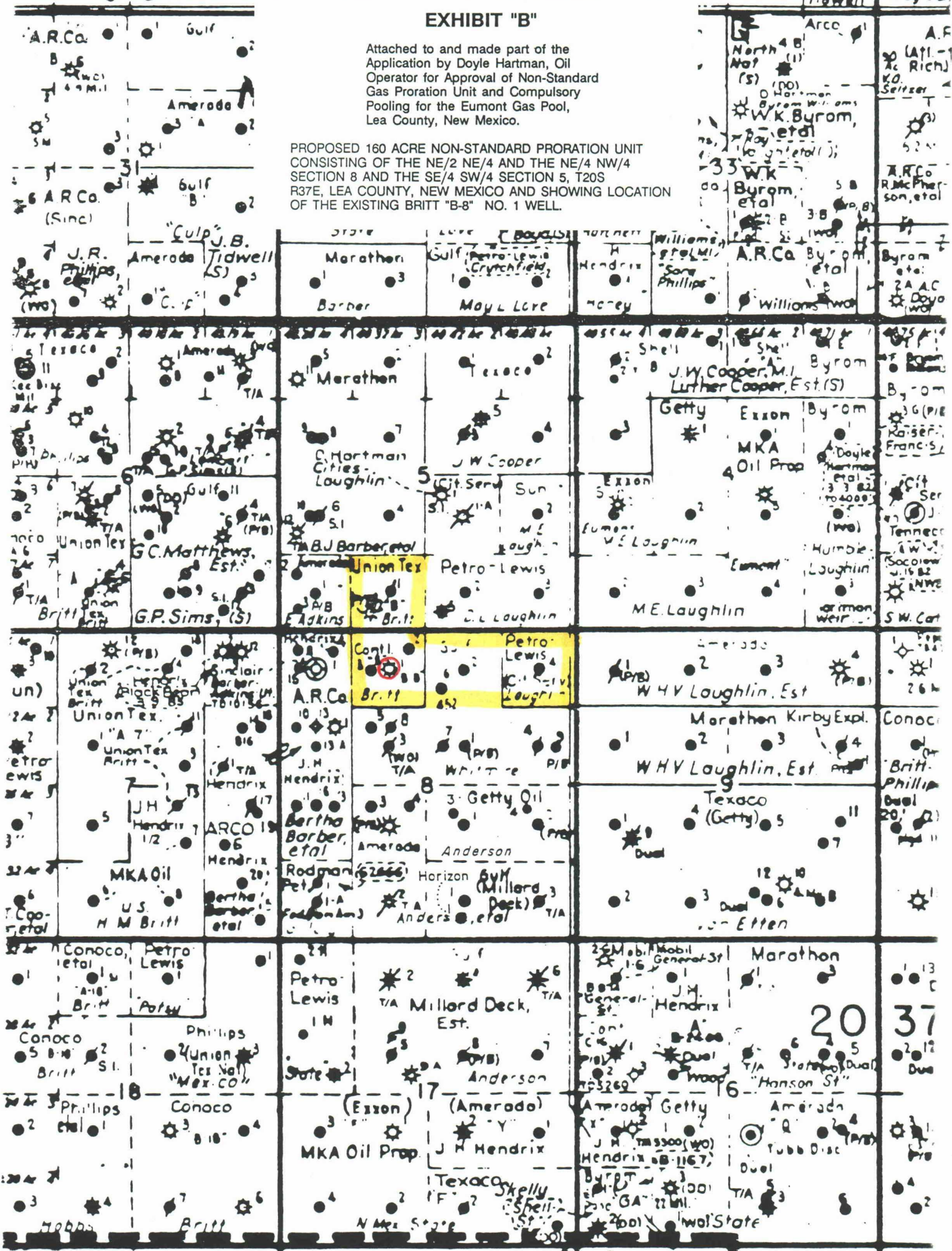


EXHIBIT "B"

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.

PROPOSED 160 ACRE NON-STANDARD PRORATION UNIT CONSISTING OF THE NE/2 NE/4 AND THE NE/4 NW/4 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.



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 EUMONT (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

<u>OPERATOR & ADDRESS</u>	<u>LEASE & WELL NAME(S)</u>	<u>GAS WELL LOCATION(S)</u>	<u>UNIT DESCRIPTION</u>	<u>NUMBER OF ACRES</u>
Oxy USA, Inc. P.O. Box 50250 Midland, Texas 79710 Mr. Charles Dickinson	Laughlin "B" #5	0-05-20S-37E	SE/4 Sec. 5, T-20-S, R-37-E	160
Exxon USA Mr. D. Mendell, 111 P.O. Box 1600 Midland, Texas 79702	Eumont Gas "Com-1" #1 Eumont Gas "Com-1" #2	J-04-20S-37E L-04-20S-37E	Sec. 4, T-20-S, R-37-E	640
Amerada Hess Corp. P.O. Box 2040 Tulsa, Oklahoma 74102 Mr. G.E. Miller	V. Laughlin #4	A-09-20S-37E	N/2 N/2 Sec. 9, T-20-S, R-37-E	160
Marathon Oil Co. P.O. Box 552 Midland, Texas 79702 Mr. John F. Strong	W.H. Laughlin #3	G-09-20S-37E	S/2 N/2 Sec. 9, T-20-S, R-37-E	160
Texaco Producing Co. P.O. Box 3109 Midland, Texas 79702 Mr. Steve Chandler	L. Van Etten #1	L-09-20S-37E	SW/4 Sec. 9, T-20-S, R-37-E	160
Chevron USA, Inc. P.O. Box 1635 Houston, Texas 77251 Mr. Ray Vaden	Theodore Anderson #1	0-08-20S-37E	SE/4 Sec. 8, T-20-S, R-37-E	160
Chevron USA, Inc. P.O. Box 1635 Houston, Texas 77251 Mr. Ray Vaden	Theodore Anderson #4 Theodore Anderson #7	B-17-20S-37E H-17-20S-37E	NE/4, E/2 NW/4 Sec. 17, T-20-S, R-37-E	240

R.B. Honeyman, Jr.
P.O. Box 60503
Pasadena, CA 91106

Wulff State #2

E-17-20S-37E

W/2 NW/4 Sec. 17,
T-20-S, R-37-E

80

Arco Oil & Gas Co.
P.O. Box 1610
Midland, Texas 79702

Barber Gas "Com" #1

E-08-20S-37E

E/2 E/2 Sec. 7 & W/2 W/2
Sec. 8, T-20-S,
R-37-E

320

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

E.S. Adkins #3

M-05-20S-37E

SW/4 SW/4 Sec. 5,
T-20-S, R-37-E

40

Marathon Oil Co.
P.O. Box 552
Midland, Texas
Mr. John F. Strong

Bertha Barber #11

D-05-20S-37E

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

320

Texaco Producing Co.
P.O. Box 3109
Midland, Texas 79702
Mr. Steve Chandler

J.M. Cooper #5

G-05-20S-37E

NE/4 Sec. 5, T-20-S,
R-37-E & S/2 SE/4 Sec.
32, T-19-S, R-37-E

240

WORKING INTEREST OWNERS TO BE FORCED POOLED IN
PROPOSED NON-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

Section 8: SE/4 NW/4 and NW/4 NE/4
James E. Burr
P.O. Box 50233
Midland, Texas 79701

Ruth Sutton
2826 Moss
Midland, Texas 79702

Jack Fletcher
P.O. Box 10887
Midland, Texas 79702

Larry Nemmyr
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