

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

IN THE MATTER OF THE APPLICATION OF
TAHOE ENERGY, INC. FOR A NON-
STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

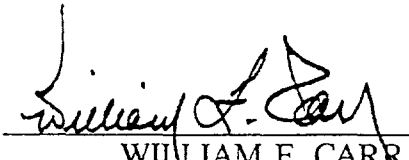
CASE NO. 10181

AFFIDAVIT

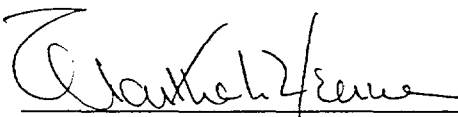
STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
TAHOE	EXHIBIT NO. <u>5</u>
CASE NO. <u>10181</u>	

WILLIAM F. CARR, attorney in fact and authorized representative of Tahoe Energy, Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.


WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 17th day of December, 1990.


Notary Public

My Commission Expires:

August 19, 1991

EXHIBIT A

ARCO Oil & Gas Company
Box 1610
Midland, Texas 79702
Attn: Land Department

R. L. Parker, Trust
Mr. H. E. Cobb
Parker Bldg., Third & Main
Tulsa, Oklahoma 74103

Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702
Attn: Land Department

Richmond Drilling
Box 150
NCNB Bank Bldg., Suite 805
Midland, Texas 79702

Texaco, Inc.
2100 Texas Crude Bldg.
801 Travis
Houston, Texas 77002

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

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

November 28, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ARCO Oil & Gas Company
Box 1610
Midland, Texas 79702
Attn: Land Department

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea
County, New Mexico

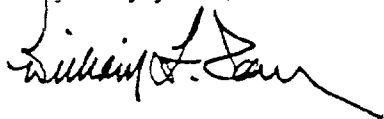
Gentlemen:

This letter is to advise you that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of a non-standard proration unit consisting of the E/2 E/2 of Section 3, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Tahoe Energy, Inc. proposes to dedicate the non-standard proration unit to its White Cloud Well No. 1 located at an orthodox location on this spacing unit to be drilled to a depth sufficient to test the Jalmat Gas Pool.

This application has been set for hearing before a Division Examiner on December 19, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by this non-standard proration unit, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TAHOE ENERGY, INC.
WFC:mlh

P-106 678 288

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

ARCO Oil & Gas Company
Box 1610
Midland, Texas 79702
Attn: Land Department

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.85
Postmark or Date	NOV 28 1990

PS Form 3800, June 1985

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.

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

3. Article Addressed to:

ARCO Oil & Gas Company
Box 1610
Midland, Texas 79702
Attn: Land Department

4. Article Number
P-106 678 288

Type of Service:
☐ Registered
☒ Certified
☐ Insured
☐ 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

7. Date of Delivery
NOV 30 1990

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

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

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

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

November 28, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

R. L. Parker, Trust
Mr. H. E. Cobb
Parker Bldg., Third & Main
Tulsa, Oklahoma 74103

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea
County, New Mexico

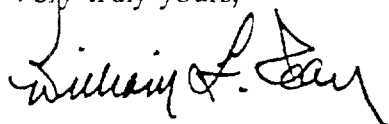
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TAHOE ENERGY, INC.
WFC:mlh

P-106 678 289
 RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

R. L. Parker, Trust
 Mr. H. E. Cobb
 Parker Bldg., Third & Main
 Tulsa, Oklahoma 74103

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date <div style="text-align: center;">NOV 28 1990</div>	

PS Form 3800, June 1985

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5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
6. Signature - Agent X <i>General</i>	8. Addressee's Address (ONLY if requested and fee paid)
7. Date of Delivery <i>12-4-90</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

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

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 968-4421
TELECOPIER: (505) 963-6043

November 28, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Chevron U.S.A., Inc.
Post Office Box 1150
Midland, Texas 79702
Attn: Land Department

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea
County, New Mexico

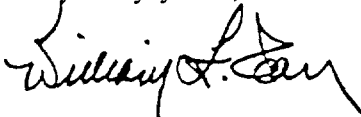
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WILLIAM F. CARR
ATTORNEY FOR TAHOE ENERGY, INC.
WFC:mlh

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

3. Article Addressed to: Chevron U.S.A., Inc. Post Office Box 1150 Midland, Texas 79702 Attn: Land Department		4. Article Number P-106 678 290	
5. Signature — Address X		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" 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.	
6. Signature — Agent X <i>[Signature]</i>		8. Addressee's Address (ONLY if requested and fee paid) SAME	
7. Date of Delivery NOV 30 1990			

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-866 DOMESTIC RETURN RECEIPT

P-106 678 290

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Chevron U.S.A., Inc.
 Post Office Box 1150
 Midland, Texas 79702
 Attn: Land Department

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date	NOV 28 1990

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL S. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

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

November 28, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Richmond Drilling
Box 150
NCNB Bank Bldg., Suite 805
Midland, Texas 79702

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea
County, New Mexico

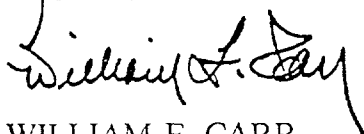
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TAHOE ENERGY, INC.
WFC:mlh

P-106 678 291
RECEIPT FOR CERTIFIED MAIL
NO AIR-RANGE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Richmond Drilling
 Box 150
 NCNB Bank Bldg., Suite 805
 Midland, Texas 79702

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date NOV 28 1990	

PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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3. Article Addressed to:
 Richmond Drilling
 Box 150
 NCNB Bank Bldg., Suite 805
 Midland, Texas 79702

4. Article Number
P-106 678 291

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
NOV 30 1990

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

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.
LAWYERS

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WILLIAM F. CARR
BRADFORD C. BERGE
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WILLIAM P. SLATTERY

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6C43

November 28, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texaco, Inc.
2100 Texas Crude Bldg.
801 Travis
Houston, Texas 77002

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea
County, New Mexico

Gentlemen:

This letter is to advise you that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of a non-standard proration unit consisting of the E/2 E/2 of Section 3, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Tahoe Energy, Inc. proposes to dedicate the non-standard proration unit to its White Cloud Well No. 1 located at an orthodox location on this spacing unit to be drilled to a depth sufficient to test the Jalmat Gas Pool.

This application has been set for hearing before a Division Examiner on December 19, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by this non-standard proration unit, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR TAHOE ENERGY, INC.
WFC:mlh

P-106 678 292

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Texaco, Inc.
2100 Texas Crude Bldg.
801 Travis
Houston, Texas 77002

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date NOV 28 1990	

PS Form 3800, June 1985

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. 10181
ORDER NO. R-9411*

APPLICATION OF TAHOE ENERGY, INC. FOR A
NON-STANDARD GAS PRORATION UNIT, LEA
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 19, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of January, 1991 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) The applicant, Tahoe Energy, Inc., seeks approval of a 160.19-acre non-standard gas proration unit comprising Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, said unit to be dedicated to its White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3.

(3) By Division Order No. R-9102, dated January 17, 1990, the following three non-standard Jalmat Gas spacing and proration units were formed in said Section 3:

1. 160.23 acres, comprising Lot 2, SW/4 NE/4, and W/2 SE/4;

2. 160.25 acres comprising Lot 3, SE/4 NW/4, and E/2 SW/4; and,
3. 160.29 acres comprising Lot 4, SW/4 NW/4, and W/2 SW/4.

(4) The remaining acreage forming the proposed non-standard unit is presently undeveloped in the Jalmat Gas Pool and is not currently dedicated to any well.

(5) The entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(6) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas 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 will otherwise prevent waste and protect correlative rights.

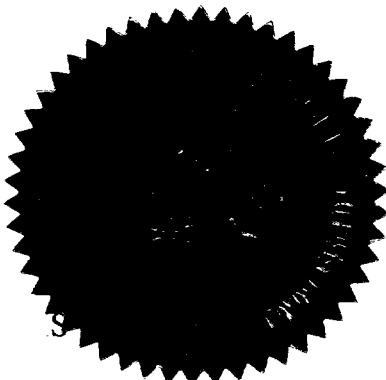
IT IS THEREFORE ORDERED THAT:

(1) The application of Tahoe Energy, Inc. for a 160.19-acre non-standard gas proration unit in the Jalmat Gas Pool comprising Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established.

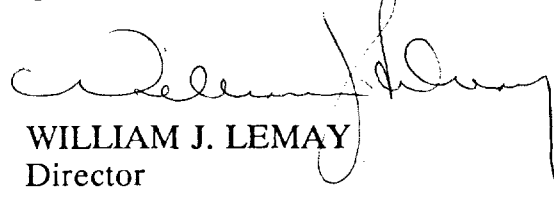
(2) Said unit is to be dedicated to the White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3.

(3) 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