GALLEGOS LAW FIRM
A Professional Corporation

460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741

JUL 10 1997

July 10, 1997
(Our File No. 97-1.75)

MICHAEL J. CONDON

HAND-DELIVERED
Michael E. Stogner, Chief Hearing Examiner
Rand Carroll, Esq.
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Application of Doyle Hartman, Case No. 6987, 11792
-- Water Encroahment

Gentlemen:

I am writing to clarify Mr. Hartman's position with respect to the water encroachment issue which the Division indicated at hearing on June 30, 1997, would be set for an evidentiary hearing.

To limit the inquiry to a one-half mile radius from the Myers "B" Federal No. 30 well as suggested at the hearing may preclude the introduction of relevant evidence on the water encroachment issue. Hartman intends to introduce evidence at the evidentiary hearing regarding the history of the Myers "B" Federal No. 30 well, which was originally drilled and completed as a Jalmat gas producer in late 1977 and early 1978. The well did not encounter water in the Yates zone when originally completed, was not productive of water, and production records do not indicate any significant water production as of 1991 when the well was plugged and abandoned. Hartman will also introduce evidence concerning other Jalmat gas wells completed by Hartman within the physical boundaries of the MLMU or adjacent to and on trend with the MLMU boundaries. Enclosed as Exhibit A is a map of the area depicting the various Hartman-completed Jalmat gas wells, as well as scout tickets and production graphs related to the Hartman-completed Jalmat gas wells. No discovery from Oxy is necessary on these elements of proof.

Hartman will also introduce evidence concerning the natural discovery condition of the Jalmat Yates-Seven Rivers Interval which confirms that water in the volumes encountered by Hartman in the reworking of the Myers "B" Federal No. 30 well are not naturally occurring, that water production from the Yates formation in the vicinity of the Myers "B" Federal No. 30 well occurred after the onset of waterflood operations, and

that the oil water contact in the area is substantially (more than 400') below the Yates zone. Proof on this issue will also consist of industry recognized geological and historical parameters confirming that the Yates zone in this area is not naturally productive of water.

In conformance with the NMOCD's suggested restricted area of investigation pertaining to the Myers "B" Federal No. 30 water problem, our proposed area of investigation will be limited to a 1.06-mile x 1.06-mile square consisting of nine original 80-acre 5-spot MLMU water injection patterns with the Myers "B" Federal No. 30 Jalmat well being located at approximately the center of the proposed area of investigation or an average perpendicular distance of 0.53 miles from the outer boundaries of the area of investigation. A well plat depicting the proposed 1.06-mile x 1.06-mile area of investigation is enclosed herewith as Exhibit B. Oxy well files will be requested for all MLMU wells lying within the proposed area of investigation including all water analyses and injection well tests and profiles associated with the area of investigation.

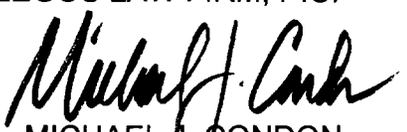
Hartman's testimony on the water encroachment issue will also require examination of various additional MLMU records and documents. While Hartman has some data on these issues, discovery from Oxy will be necessary. Hartman will introduce injection and withdrawal volumes corresponding to the proposed area of investigation which will demonstrate that there has been excessive water injection. Some of the information to be introduced was included in Tab 29 of Exhibit A offered at the June 30, 1997 hearing. Hartman will also request documents related to the MLMU No. 199 well located in Section 8, T-24-S, R-37-E. A copy of Texaco's April 28, 1987 letter to working interest owners confirming a waterflow in MLMU well No. 199, as well as the Sundry Notice filed by Texaco when the well was plugged and abandoned, are enclosed as Exhibit C. Please note that the Sundry notice filed by Texaco with the OCD did <u>not</u> mention the waterflow problem that was referenced in Texaco's April 28, 1987 letter. A copy of the subpoena reflecting the Oxy documents that Hartman is requesting and which most likely will be needed for Hartman's hearing presentation is enclosed as Exhibit D.

Texaco Exploration and Production Inc. operated the MLMU from the mid-1980s until December 1993. To the extent that Texaco turned over all MLMU files, water samples, water analyses unit files and all other documents related to the MLMU in connection with its assignment to Oxy in 1994, Hartman will probably not require discovery of Texaco. However, if Texaco did not transfer to Oxy all of its files in connection with the assignment of its MLMU rights and operations, Hartman may require discovery from Texaco. If Oxy could provide a list of the files transferred in connection with the assignment from Texaco of Texaco's MLMU interest, and Oxy's assumption of operatorship of the MLMU, Hartman could make a preliminary and early decision as to whether discovery from Texaco will be necessary.

If you have any questions or need any additional information, please feel free to contact me.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By 
MICHAEL J. CONDON

MJC:sa
cc: William F. Carr
Thomas Kellahin
fxc: Doyle Hartman
Linda Land
ioc: J.E. Gallegos

Hartman–Completed Infill Wells
Jalmat Gas Pool

EXHIBIT A

Meridian (DHOO)
"G" No. 2
23S–36E

Meridian (DHOO)
Samedan–Hughes Federal No. 1
E–19–23S–37E

Meridian (DHOO)
N.O. Lankford No. 2
G–25–23S–36E

Meridian (DHOO)
Maralo State No. 1
N–36–23S–36E

Meridian (DHOO)
Holt–Mexico "Com" No. 1
O–36–23S–36E

Meridian (DHOO)
Olsen–Blinebry Federal No. 2
M–29–23S–37E

DHOO
Carter Eaves NCT–A No. 2
D–6–24S–37E

DHOO
Myers "B" Federal No. 31
G–6–24S–37E

DHOO
Myers "B" Federal No. 30
E–5–24S–37E

Meridian (DHOO)
E.E. Jack No. 5
D–8–24S–37E

DHOO
Myers "B" Federal No. 33
B–7–24S–37E

DHOO
Liberty Royalties No. 6
O–7–24S–37E

Meridian (DHOO)
Toby No. 3
L–7–24S–37E

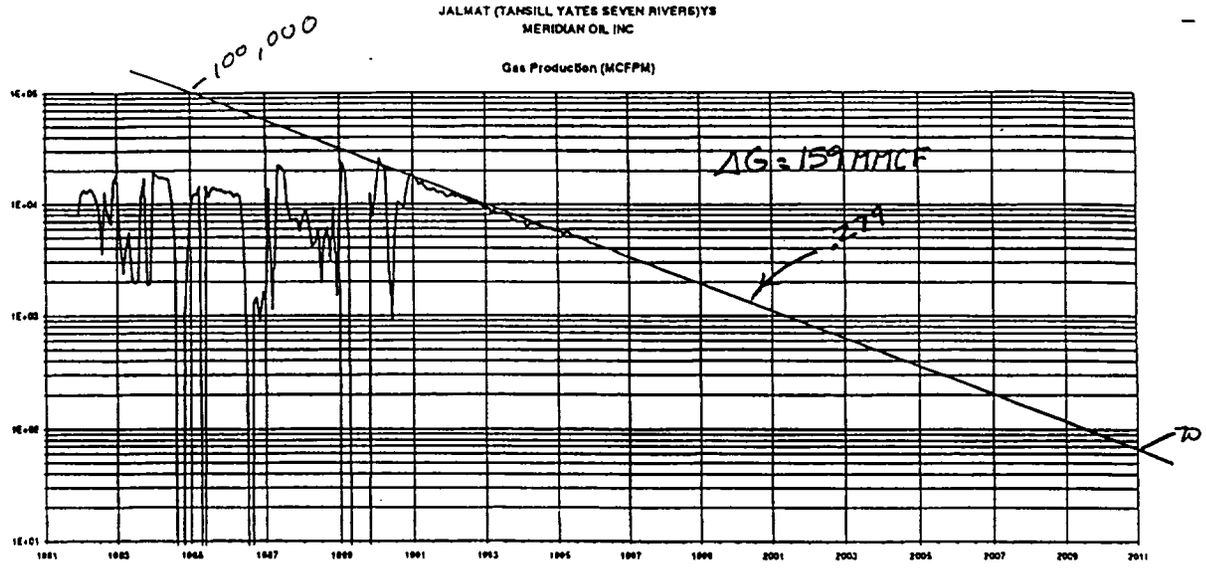
Meridian (DHOO)
Late Thomas No. 2
L–17–24S–37E

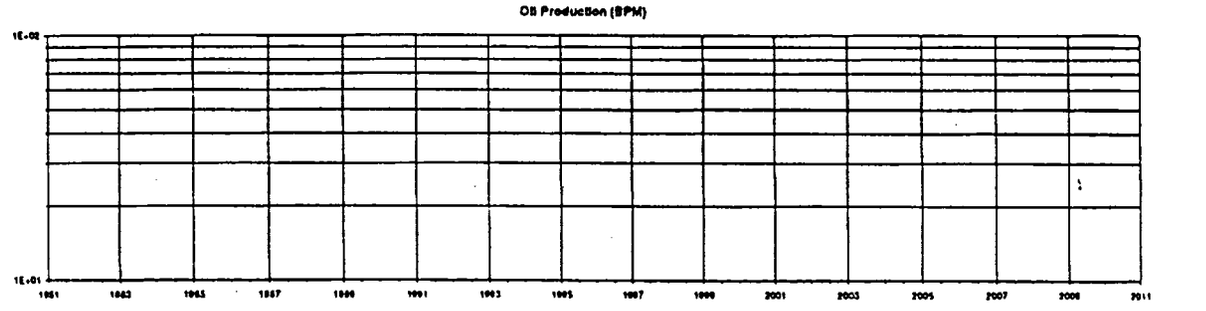
Meridian (DHOO)
Late Thomas No. 3
J–17–24S–37E

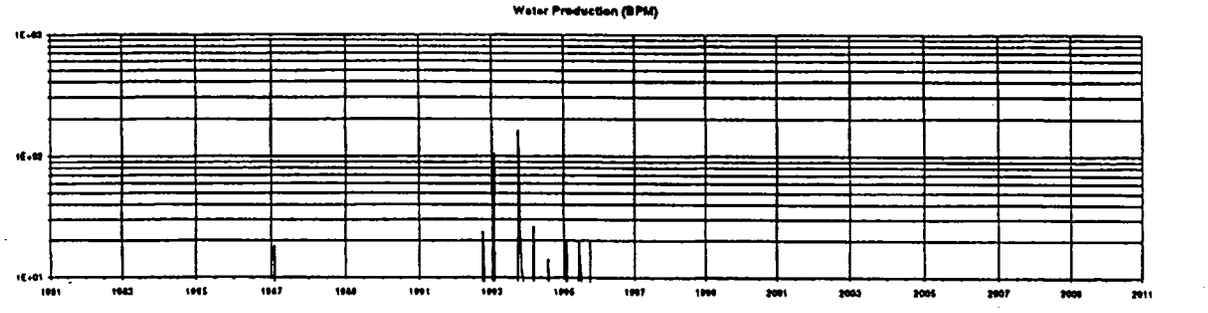
COOPER-JAL UNIT
TEXACO (OPER.)

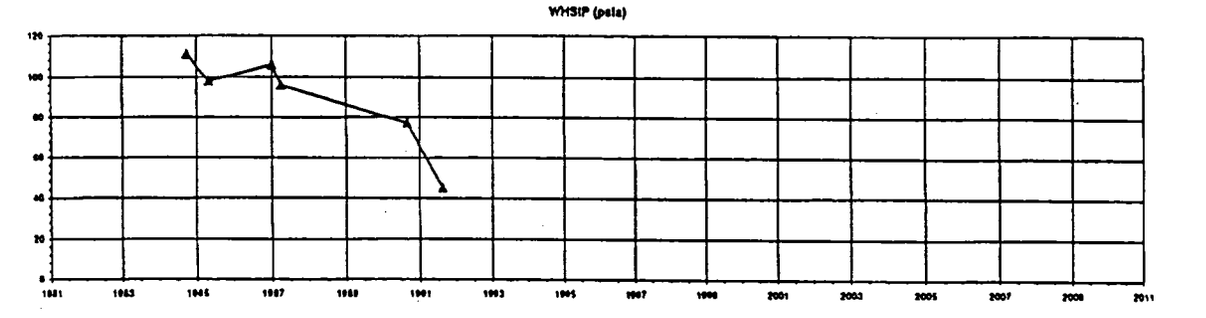
Seven Rivers Structure Map
T–23–S & T–24–S, R–36–E & R–37–E
Lea County, New Mexico

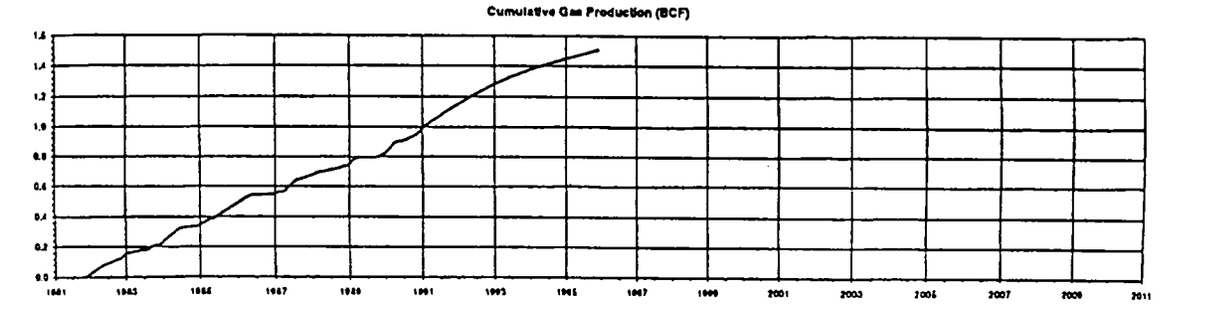
LATE THOMAS #2
17L 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
MERIDIAN OIL INC

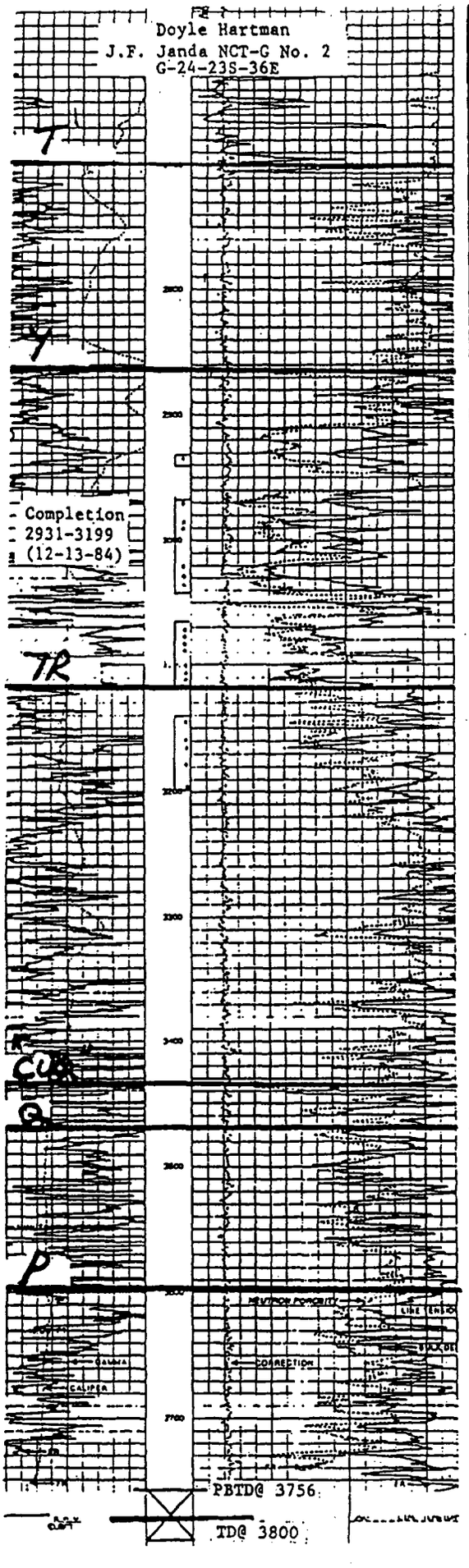












COMPANY Meridian
(Doyle Hartman)
WELL J.F. Janda "G" No. 2
FIELD Jalmat (Gas)
LOCATION 1980' FNL & 1650' FEL (G)
Sec. 24, T-23-S, R-36-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3354
DF
GL 3343

COMPLETION RECORD

SPUD DATE 11-25-84 COMP. DATE 12-14-84
TD 3800 PBTD
CASING RECORD:
9 5/8, 40# @ 430 w/300 (TOC @ Circ.)
7, 26# @ 3800 w/1400 (TOC @ Circ.)
(TOC @)
(TOC @)
COMP. INTERVAL Perf 2931-3199 w/23

STIMULATION A/5800 15% NCA
ATR = 6.2 BPM. ATP = 2000 psi.
ISIP = 500 psi. 8-min. SIP = 0 psi.
POT P/61 MCFPD (After acid)
GOR GR
TP CP 22 psig
CHOKE 24/64 TUBING 2 3/8 @ 3488
REMARKS
12-12-84: SICP = 108 psig (After acid)

12-13-84: POP @ 8 x 54 x 1 %

12-19-84: Aborted Frac.

12-26-84: SWF/157,060 + 320,000
ATR = 34 BPM
ATP = 1750 psi
ISIP = 730 psi
1-hr. SIP = 520 psi
Flare @ FCP = 211 psig
18.7-hr. Test:
Flow Path-annulus
Choke = 64/64
FCP = 35 psig
FTP = 45 psig

01-02-85: F/1048 MCFPD (After frac)
Choke = 40/64
FCP = 69 psig

4-96: AMR = 3000 MCFPM
Cum. = 748 MMCF
Est. Rem. = 182 MMCF
Est. Ult. = 930 MMCF
b = 0.145

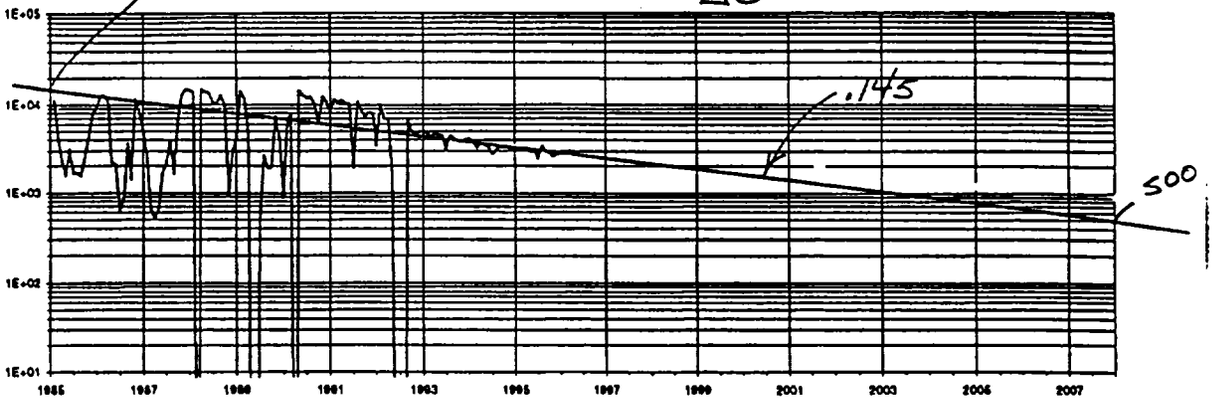
G-24-23S-36E

J F JANDA NCT G #2
JALMAT (TANSILL YATES SEVEN RIVERS)YS
24G 23S 36E
MERIDIAN OIL INC

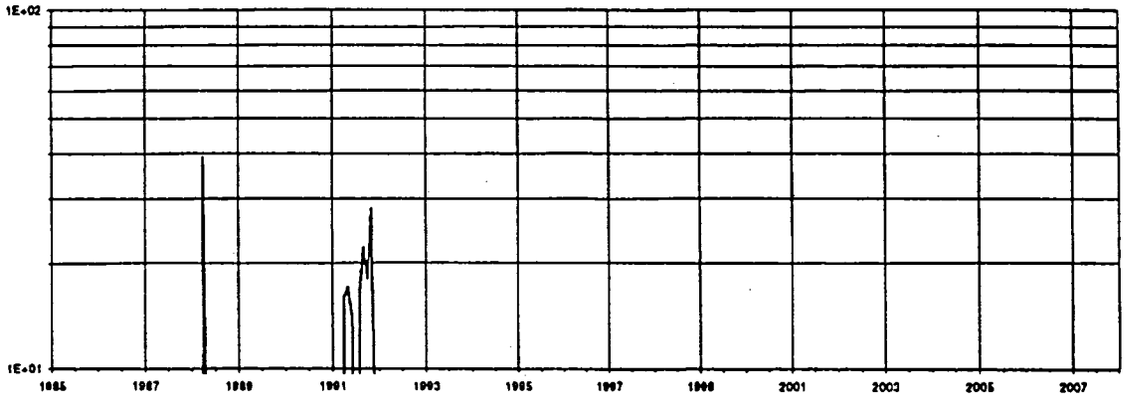
$G_T = 748 + 182 = 930$ MMCF

$\Delta G = 182$ MMCF

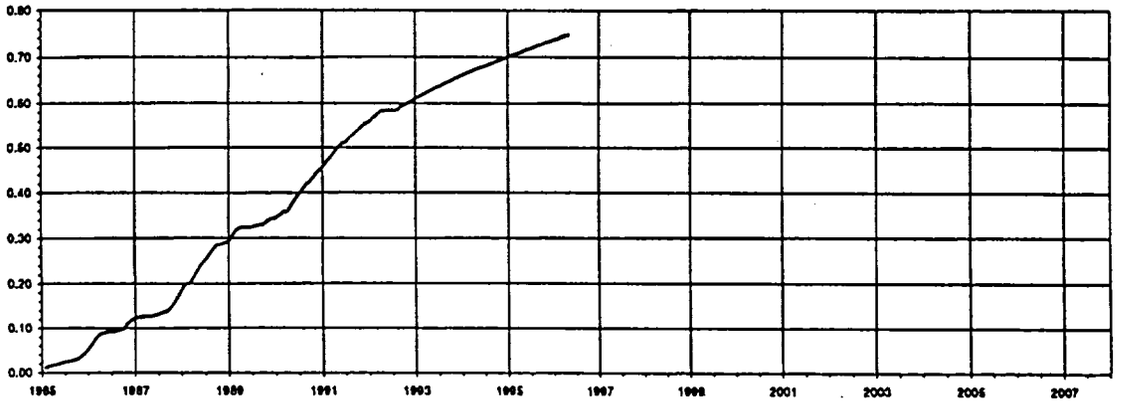
Gas Production (MCFPM)



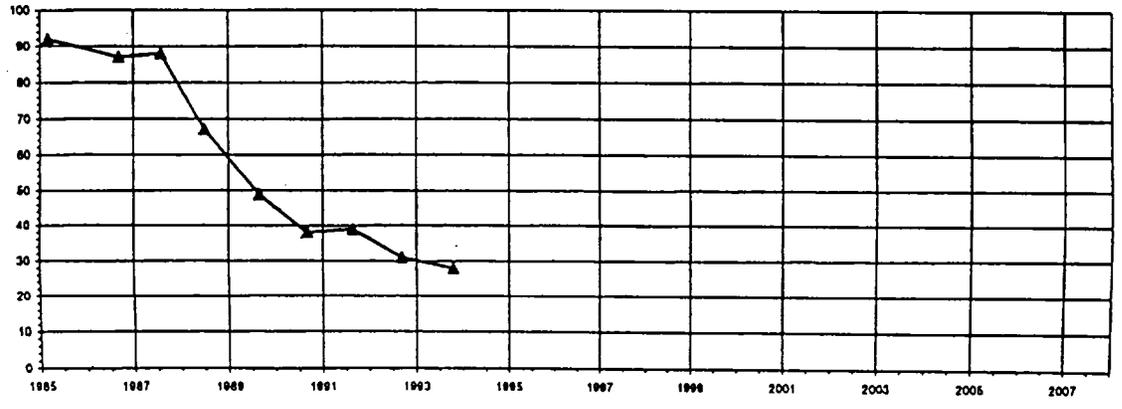
Water Production (BPM)



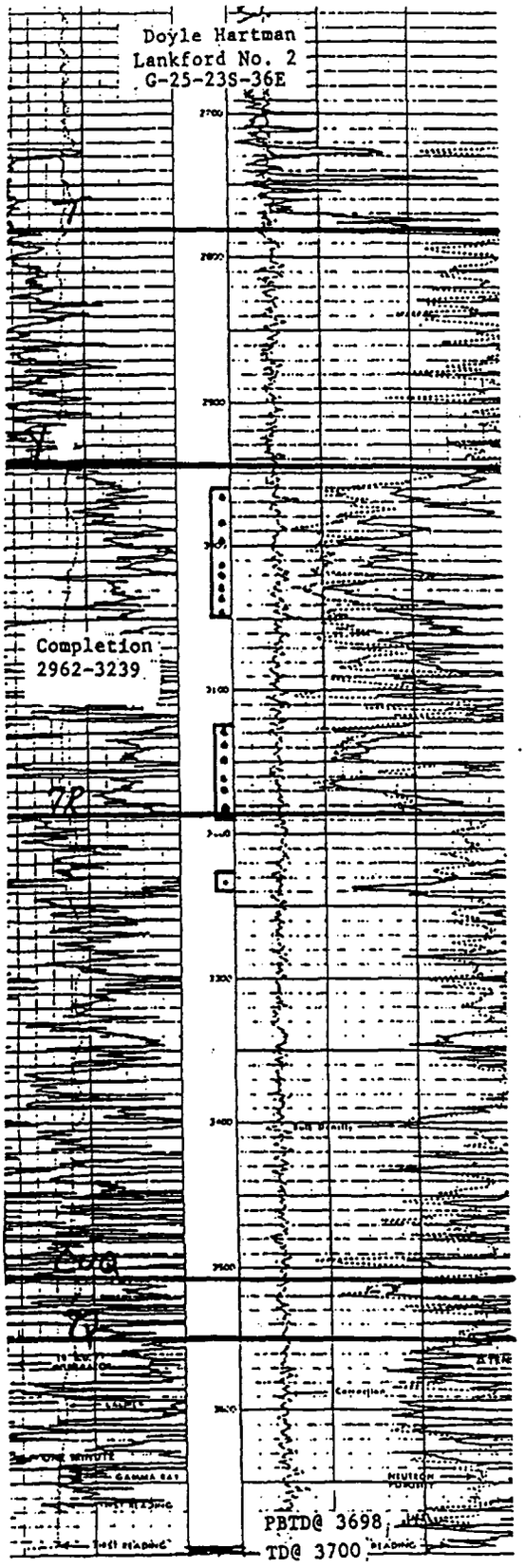
Cumulative Gas Production (BCF)



WHSIP (psia)



04/96: 0.748 BCF



COMPANY Meridian
(Doyle Hartman)
WELL Lankford No. 2

FIELD Jalmat (Gas)
LOCATION 1980' FNL & 1980' FEL (G)
Sec. 25, T-23-S, R-36-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3360
DF
GL 3349

COMPLETION RECORD

SPUD DATE 12-17-83 COMP. DATE 1-7-84
TD 3700 PBTD
CASING RECORD:
9 5/8, 36# @ 400 w/250 (TOC @ Circ.)
7, 23# @ 3700 w/850 (TOC @ Circ.)
(TOC @)
(TOC @)
COMP. INTERVAL Perf 2962-3239 w/22

STIMULATION A/6000 15% MCA
ATR = 5.0 BPM. ATP = 1700 psi.
ISIP = 400 psi. 1.5-min. SIP = 0 psi.
POT P/130 MCFPD (After acid)
GOR GR
TP CP 23 psig (SICP = 95 psig)
CHOKE 32/64 TUBING 2 3/8 @ 3457
REMARKS
1-04-84: POP @ 9 x 64 x 1 ¼
SICP = 95 psig (After acid)

1-17-84: SWF/110,950 + 253,000
ATR = 32 BPM
ATP = 1900 psi
ISIP = 700 psi
1-hr. SIP = 520 psi
Flare @ FCP = 195 psig

1-19-84: 2.5-hr. SIP = 101 psig

1-20-84: P/657 MCFPD (After frac)
Choke = 43/64
FCP = 78 psig
Est. C = 154

1-30-84: 108-hr. SICP = 99 psig

4/96: AMR = 4800 MCFPM
Cum. = 1075 MMCF
Est. Rem. = 210 MMCF
Est. Ult. = 1285 MMCF
b = 0.229

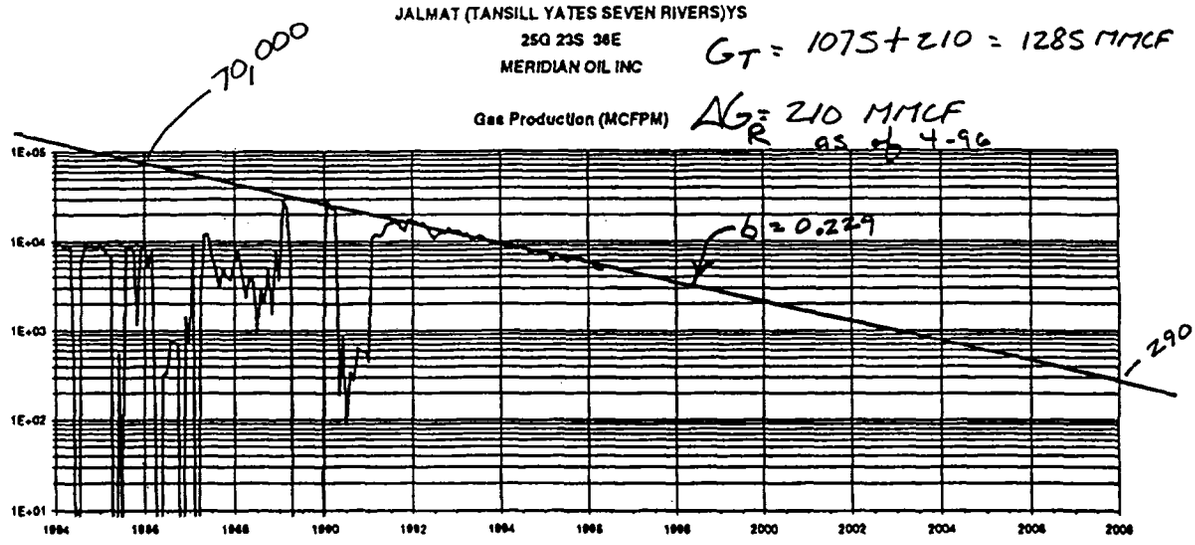
G-25-23S-36E

JALMAT (TANSILL YATES SEVEN RIVERS)YS
25Q 23S 36E
MERIDIAN OIL INC

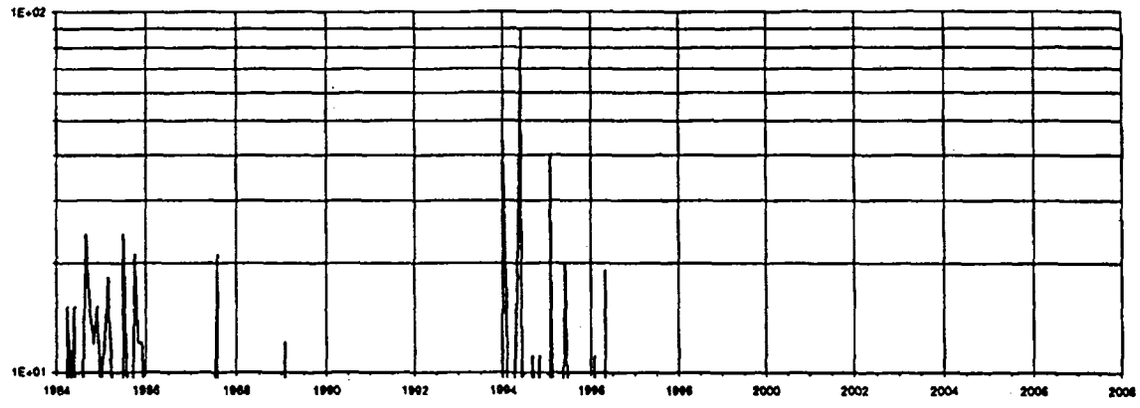
$G_T = 1075 + 210 = 1285$ MMCF

$\Delta G_R = 210$ MMCF gas as of 4-96

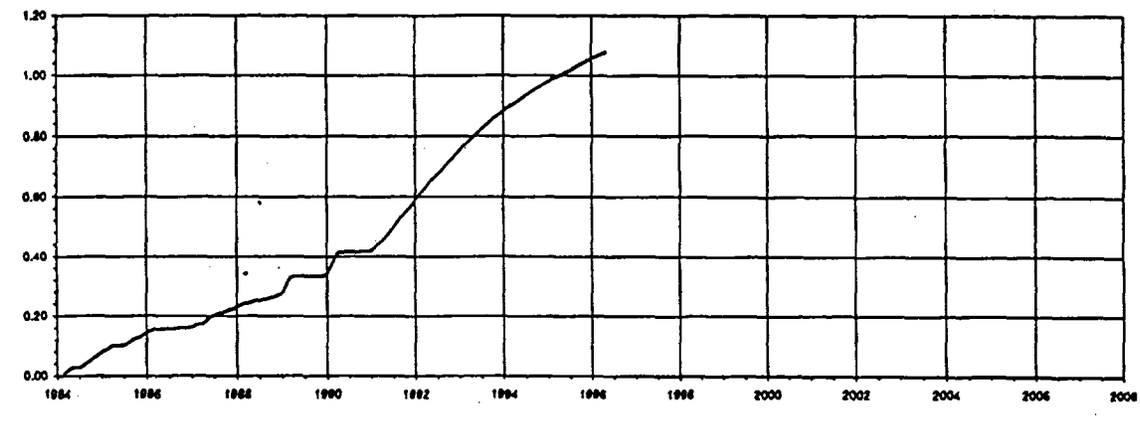
Gas Production (MCFPM)



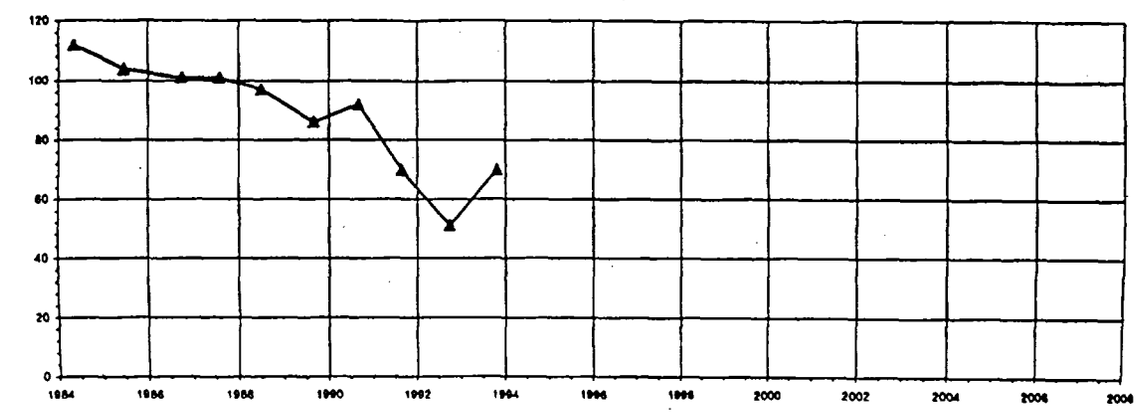
Water Production (BPM)



Cumulative Gas Production (BCF)



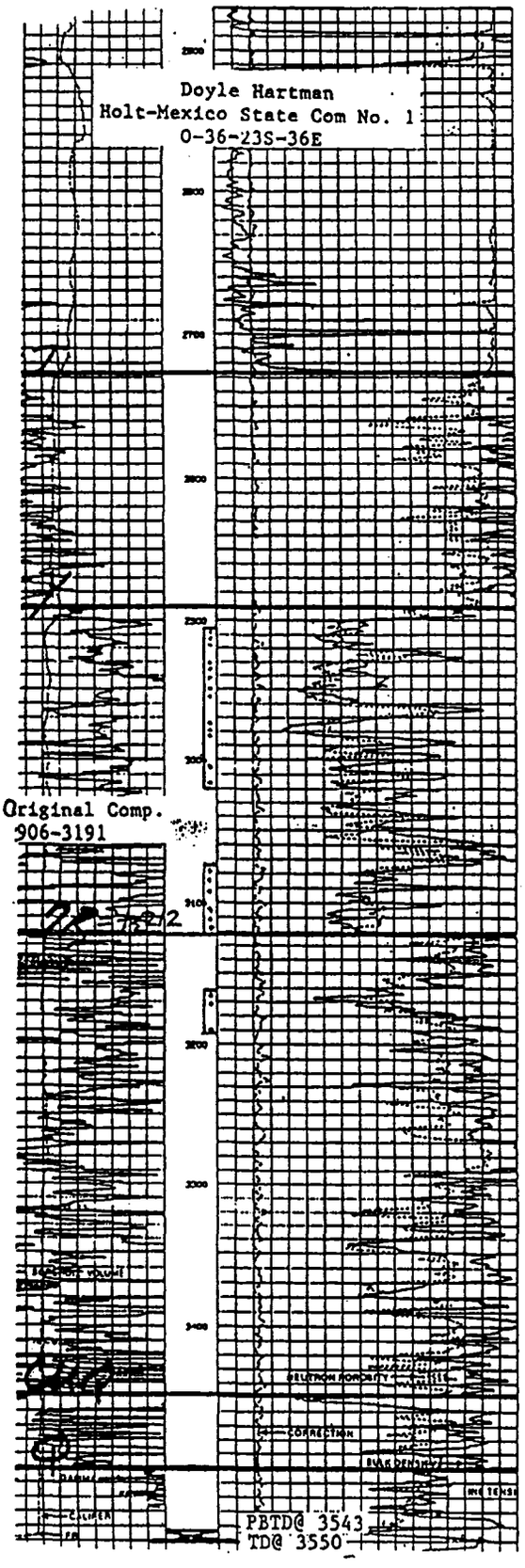
WHSIP (psia)



04/96: 1.075 BCF

COMPANY Meridian
(Doyle Hartman)
WELL Holt-Mexico Com No. 1

FIELD Jalmat (Gas)
LOCATION 1100' FSL & 1650' FEL (O)
Section 36, T-23-S, R-36-E
COUNTY Lee
STATE New Mexico
ELEVATIONS: KB 3332
DF
GL 3322



COMPLETION RECORD

SPUD DATE 8-27-85 COMP. DATE 9-12-85
TD 3550 PBTD 3543
CASING RECORD:
9 5/8 @ 445 w/350' (TOC @ Circ.)
7 @ 3550 w/800' (TOC @ Circ.)
(TOC @)
(TOC @)
PERFORATING RECORD Perf: 2906 - 3191 w/25
(Yates - Upper 7R)
STIMULATION A/5600 15% NCA
Avg. Rate = 5.25 BPM
Avg. Press = 2195 PSI ISIP = 0 PSI
IP IPP = 499 MCFPD (Acid)
GOR GR
TP CP 33 psi (SICP = 138 psi)
CHOKE 44/64 TUBING 2 3/8 @ 3215
REMARKS After Acid, C = 24.1

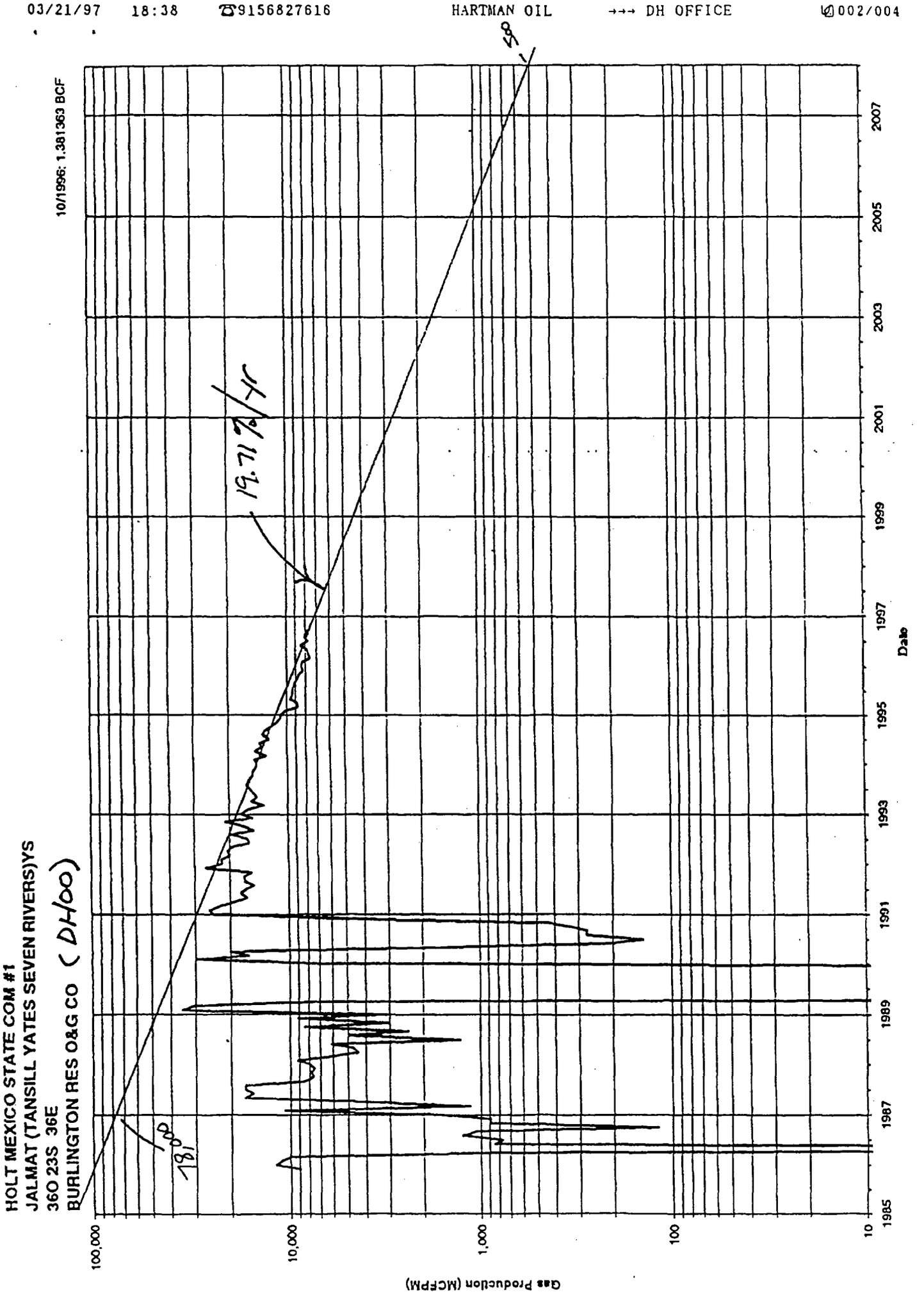
9/18/85: SWF/187,890 + 400,000
Avg. Rate = 35.5 BPM
Avg. Press = 880 psi
Max. Press = 1120 psi
ISIP = 630 psi
15-Min. SIP = 510 psi
Flare @ 305 psi
64/64: FCP = 55 psi, FTP = 105 psi

9/20/85: 5 hr Test: P/1150 MCFPD.
Choke = 26/64. CP = 114 psi.
After Frac, C = 172.

2/87: SICP = 128 psig.
6/87: ADR = 566 MCFPD. Choke = 36/64.
PCP = 114 psig. Est. C = 194.

1/96: AMR = 8306 MCFPM
Cum. = 1311 MMCF
Est. Rem. = 335 MMCF
Est. Ult. = 1646 MMCF
b = 0.269

O-36-23S-36E


HOLT MEXICO STATE COM #1
JALMAT (TANSILL YATES SEVEN RIVERS)YS
36O 23S 36E
BURLINGTON RES O&G CO (DH/OO)
10/1996: 1.381363 BCF
19.71 M/YR
1800
100,000
10,000
1,000
100
10
Gas Production (MCFPM)
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
2007
Date

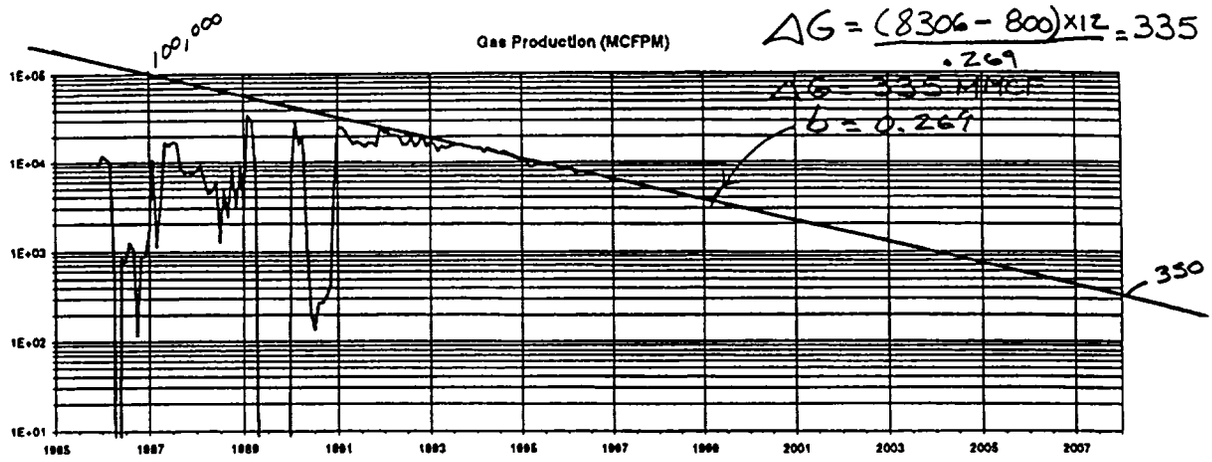
HOLT MEXICO STATE COM #1

JALMAT (TANSILL YATES SEVEN RIVERS)YS

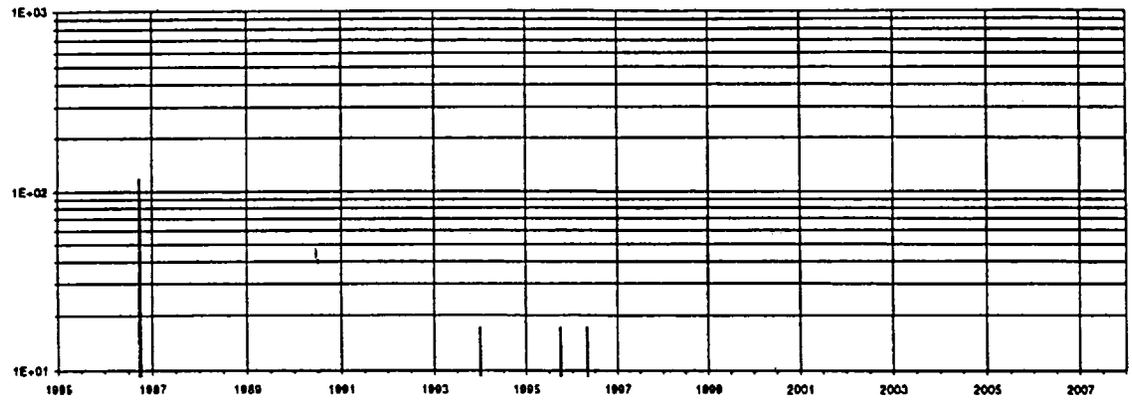
360 23S 36E

MERIDIAN OIL INC

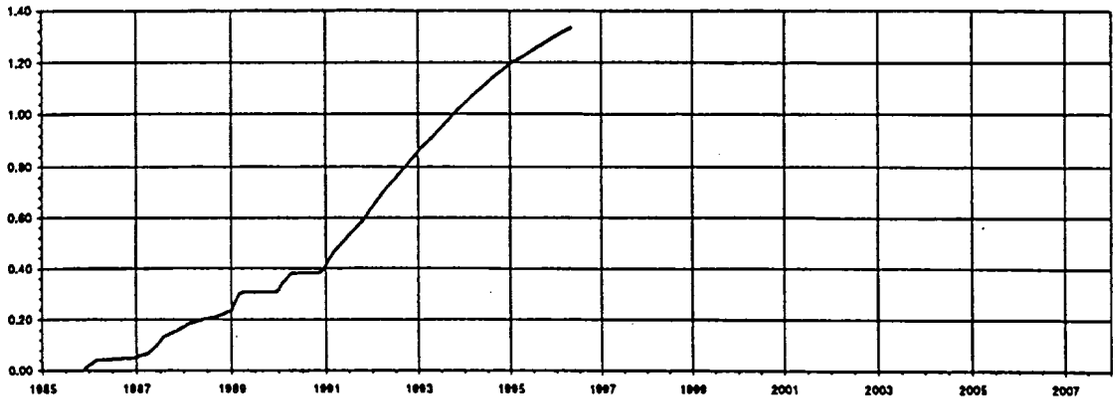
Gas Production (MCFPM)



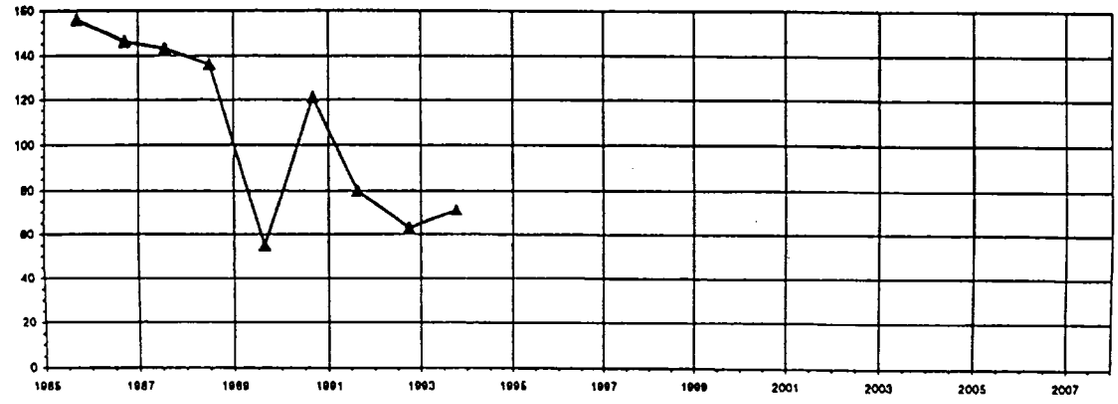
Water Production (BPM)



Cumulative Gas Production (BCF)



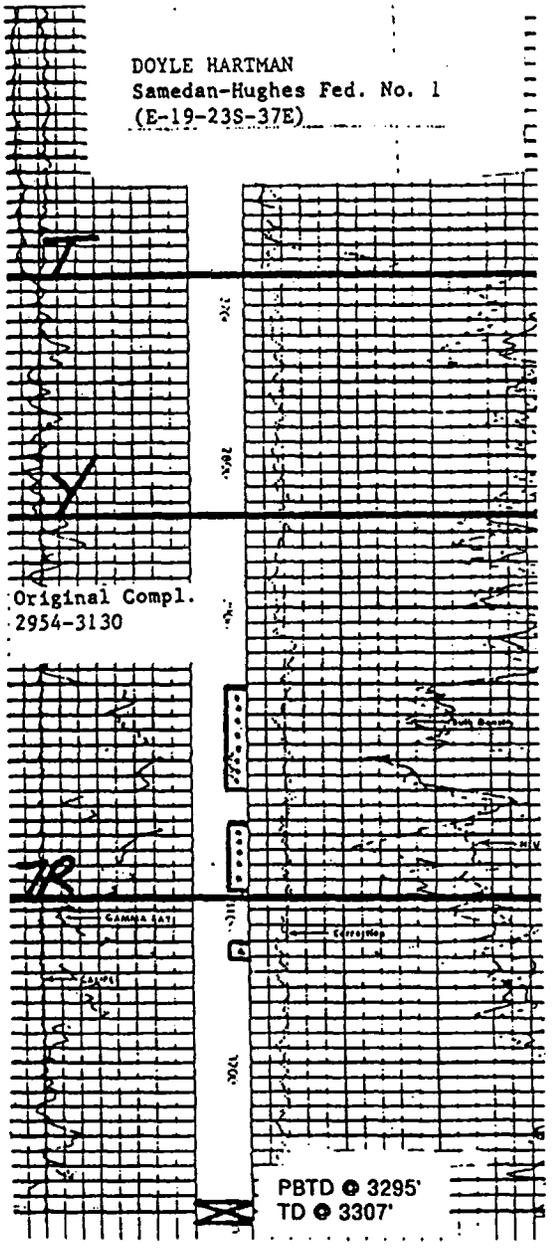
WHSIP (psia)



04/96: 1.334 BCF

COMPANY Meridian
(Doyle Hartman)
WELL Samedan Hughes Federal No. 2

FIELD Jalmat (Gas)
LOCATION 1980' FSL & 660' FWL (E)
Sec. 19, T-23-S, R-37-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3388
DF
GL 3378



COMPLETION RECORD

SPUD DATE 10-13-80 COMP. DATE 11-6-80
TD 3307 PBTD
CASING RECORD:
8 5/8, 23# @ 453 w/300 (TOC @ Circ.)
5 ½, 17# @ 3307 w/500 (TOC @ Circ.)
(TOC @)
(TOC @)
COMP. INTERVAL Perf 2954-3130 w/17

STIMULATION A/4500 15% MCA
ATR = 4.5 BPM. ATP = 1500 psi.
ISIP = 800 psi. 3-min. SIP = 0 psi.
POT P/450 MCFPD (After frac)
GOR GR
TP CP 83 psig (SICP = 110 psig)
CHOKE 30/64 TUBING 2 3/8 @ 3205
REMARKS
10-26-80: SICP = 96 psig

10-28-80: SICP = 110 psig

10-28-80: SWF/60,000 + 132,000
ATR = 20 BPM
ATP = 1800 psi
ISIP = 740 psi
1-hr. SIP = 475 psi

11-4-80: Choke = 64/64
FTP = 22 psig
FCP = 77 psig

11-5-80: POP @ 8 x 62 x 1 ¼

12-14-80: P/352 MCFPD
Choke = 33/64
FCP = 83 psig
Est. C = 59.5

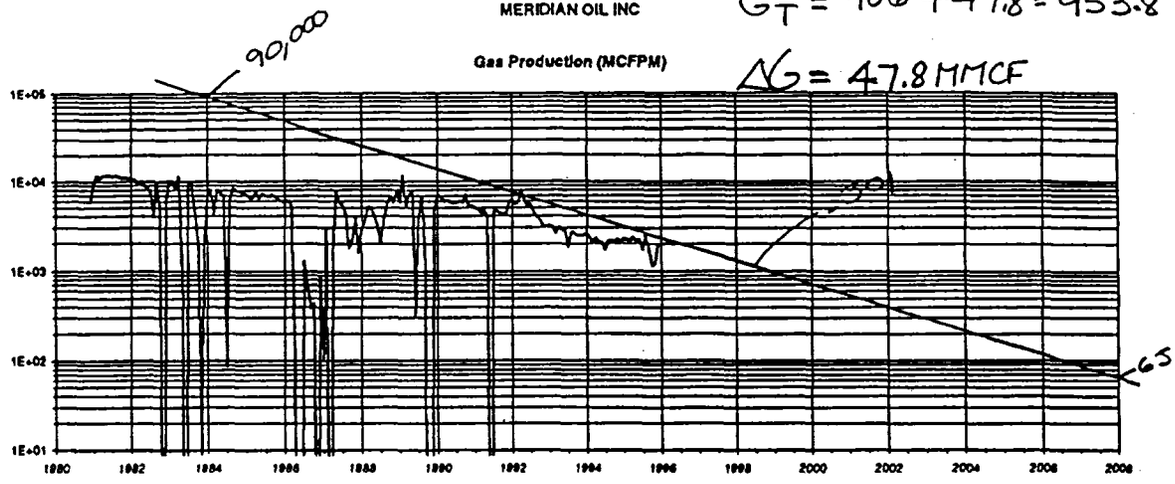
4-96: ANR = 2000 MCFPM
Cum. = 906 MMCF
Est. Rem. = 48 MMCF
Est. Ult. = 954 MMCF
b = 0.301

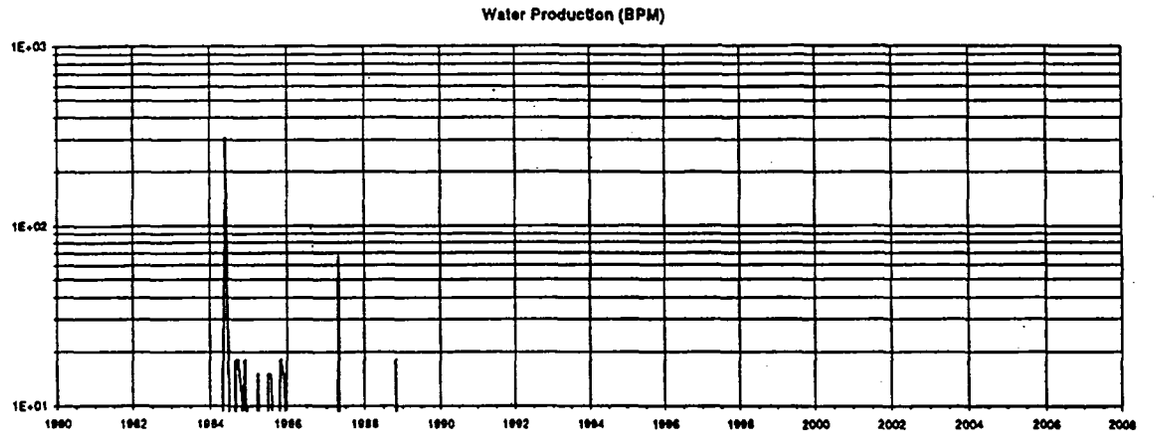
E-19-23S-37E

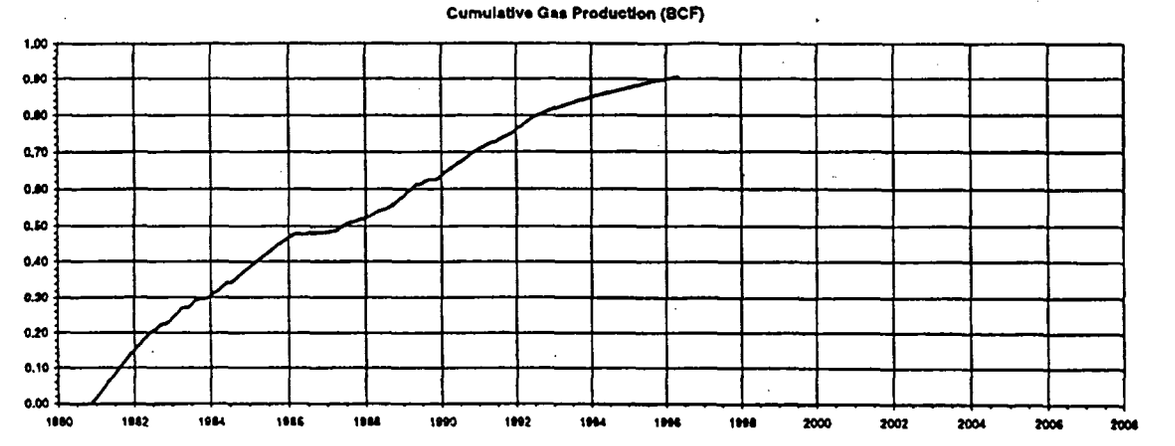
SAMEDAN HUGHES FEDERAL #1
JALMAT (TANSILL YATES SEVEN RIVERS)YS
19E 23S 37E
MERIDIAN OIL INC

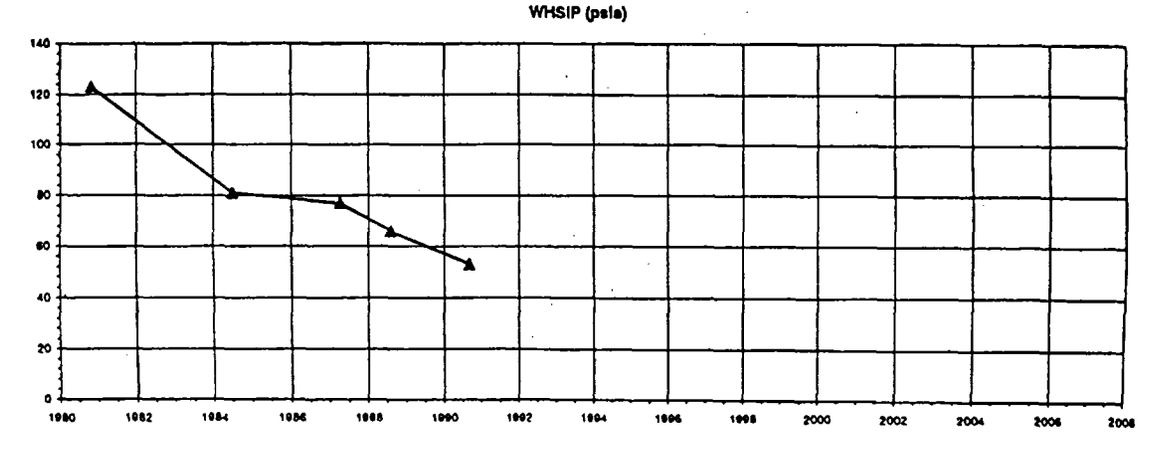
$G_T = 906 + 47.8 = 953.8$

$\Delta G = 47.8$ MMCF









04/96: 0.906 BCF

COMPANY Amoco Production Co.

WELL Myers "B" Federal No. 30

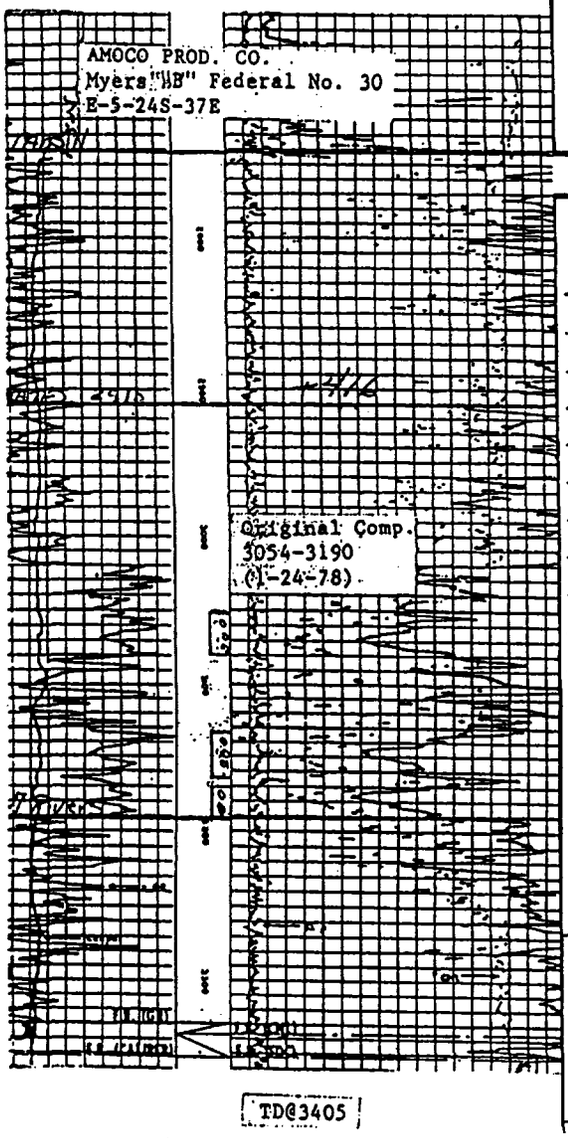
FIELD Jalmat (Gas)

LOCATION 1650 FNL & 660 FWL (E)
Section 5, T-24-S, R-37-E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB
DF 3327
GL 3313



COMPLETION RECORD

SPUD DATE 12-21-77 COMP. DATE 1-24-78

TD 3405 PBTD 3405

CASING RECORD 8-5/8 @ 1175 w/500 Circ/50 sx
5-1/2 @ 3405 w/670 Circ/25 sx

PERFORATING RECORD Perf. 3054 - 3190 w/142.

STIMULATION A/3726
SWF/50,000 + 61,000

IP IPF = 1640 MCFGPD

GOR Dry GR

TP 65# SITP 200# CP 255#

CHOKE 32/64 TUBING 2-3/8 @ 3042

REMARKS

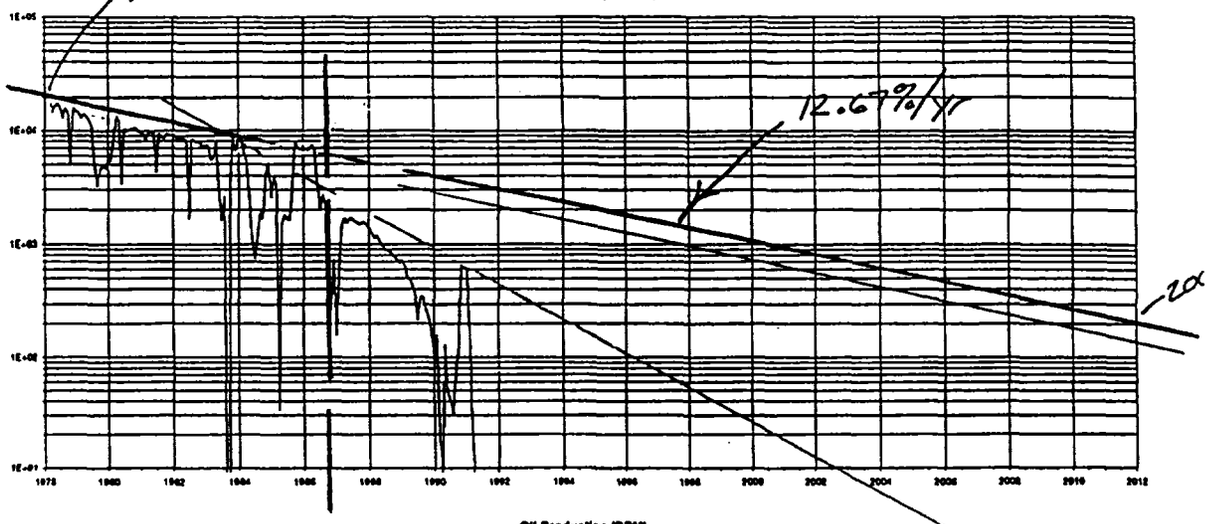
7-90 Cum Jalmat Prod: 779 MMCF
1990 Avg Jalmat Prod: 4 MCFPD

E-5-24S-37E

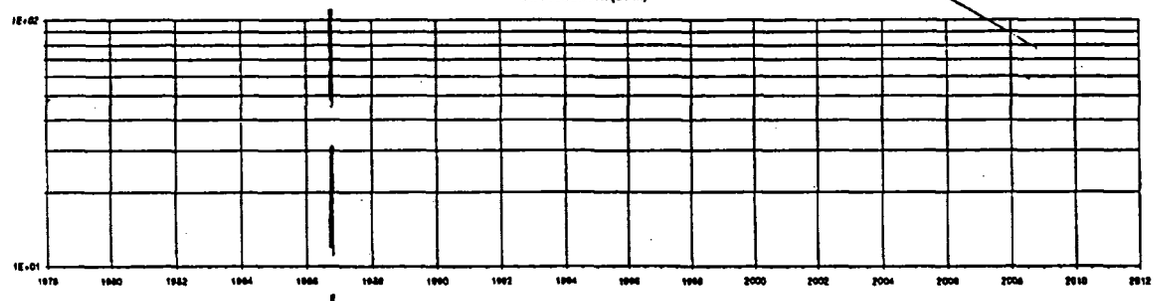
MYERS B FEDERAL RA B #30
6E 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
AMOCO PRODUCTION CO

20,000

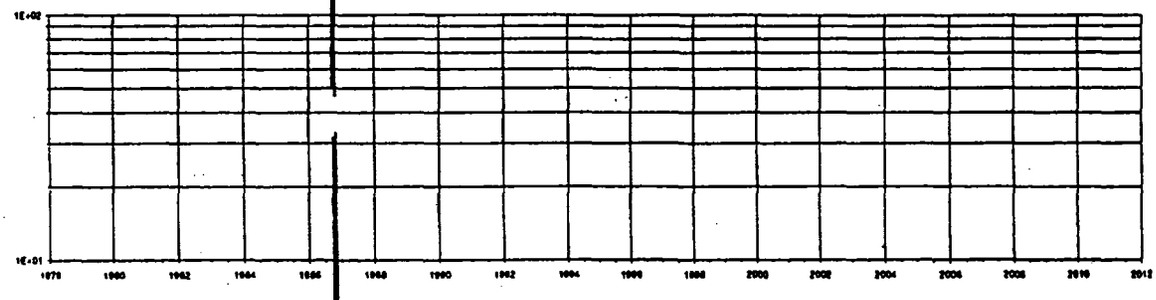
Gas Production (MCFPM)



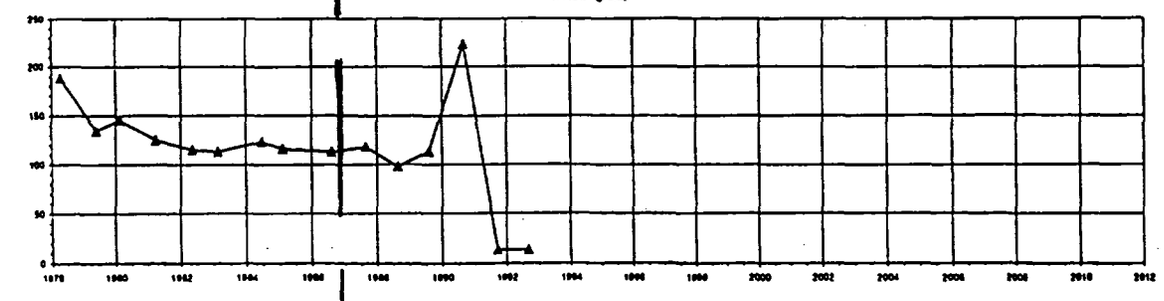
Oil Production (BPM)



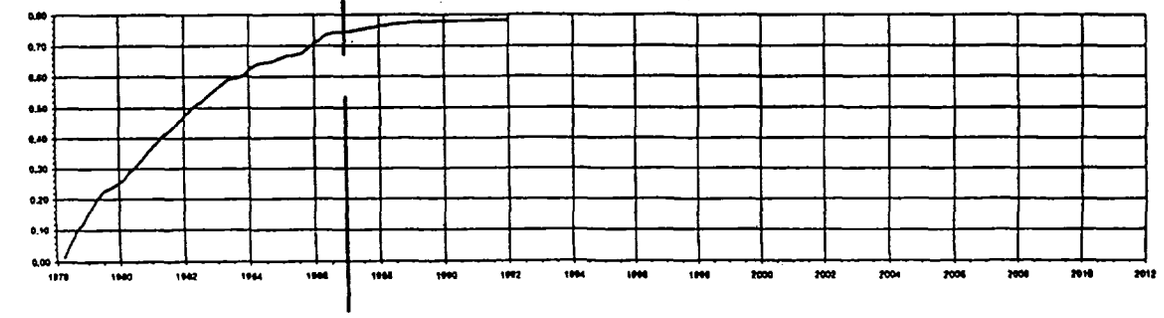
Water Production (BPM)



WHSIP (psia)



Cumulative Gas Production (BCF)



COMPANY Doyle Hartman

WELL Carter-Eaves "NCT-A" No. 2

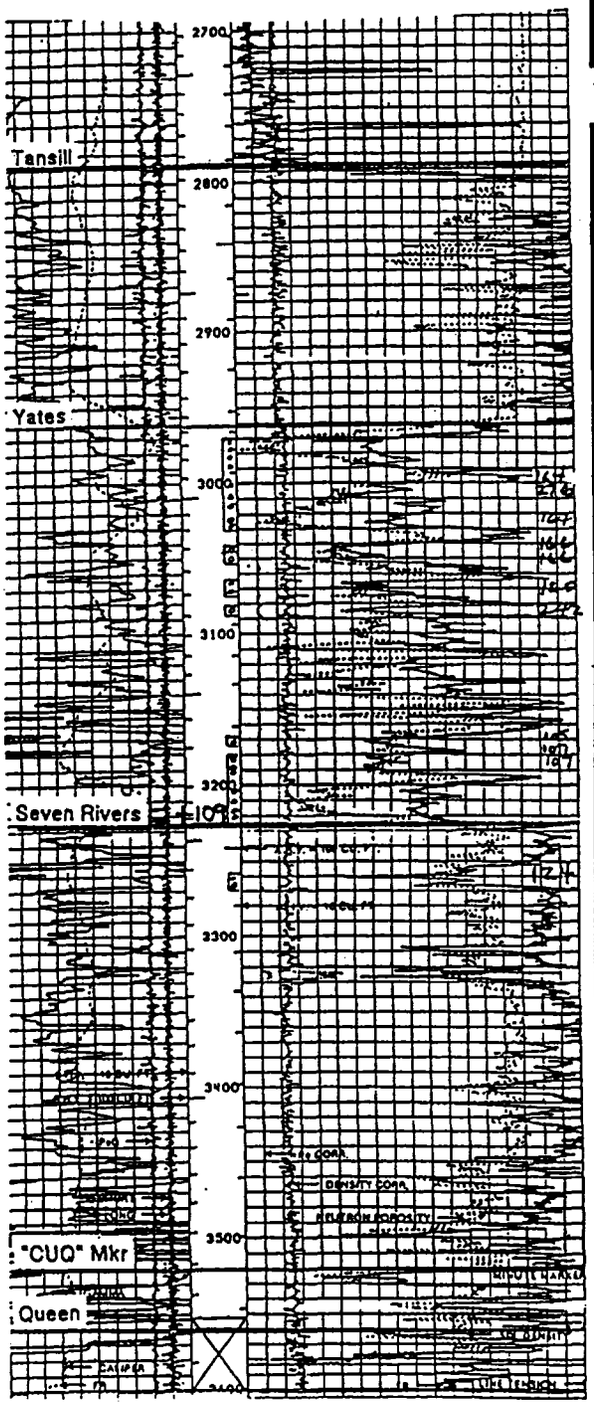
FIELD Jalmat

LOCATION 660' FNL & 924' FWL (D)
Sec. 6, T-24-S, R-37-E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB 3334.3
DF
GL 3317.3



COMPLETION RECORD

SPUD DATE 1-28-91 COMP. DATE 3-2-91

TD 3600 PBTD 3552

CASING RECORD:

13 3/8, 48# @ 454 w/700 (TOC @ Circ.)

7, 23# @ 3599 w/1525 (TOC @ Circ.)

(TOC @)

(TOC @)

COMP. INTERVAL Perf 2972-3265 w/25

STIMULATION A/7125 15% NCA
ATR = 5 BPM. ATP = 1150 psi.
ISIP = 300 psi. 5-min SIP = 0 psi.

POT P/952 MCFPD + 43 BOPD (After frac)

GOR 20,555 GR

TP CP 46 psig (SICP = 136 psig)

CHOKE 70/64 TUBING 2 3/8 @ 3368

REMARKS

2-11-91: P/25 MCFPD + 4 BOPD (After acid).
FCP = 8 psig.

2-13-91: SICP = 136 psig (After acid).

2-13-91: SWF/246,120 + 595,413
ATR = 40 BPM
ATP = 1574 psi
ISIP = 1433 psi
1-hr. SIP = 1175 psi
Flare @ 123 psi

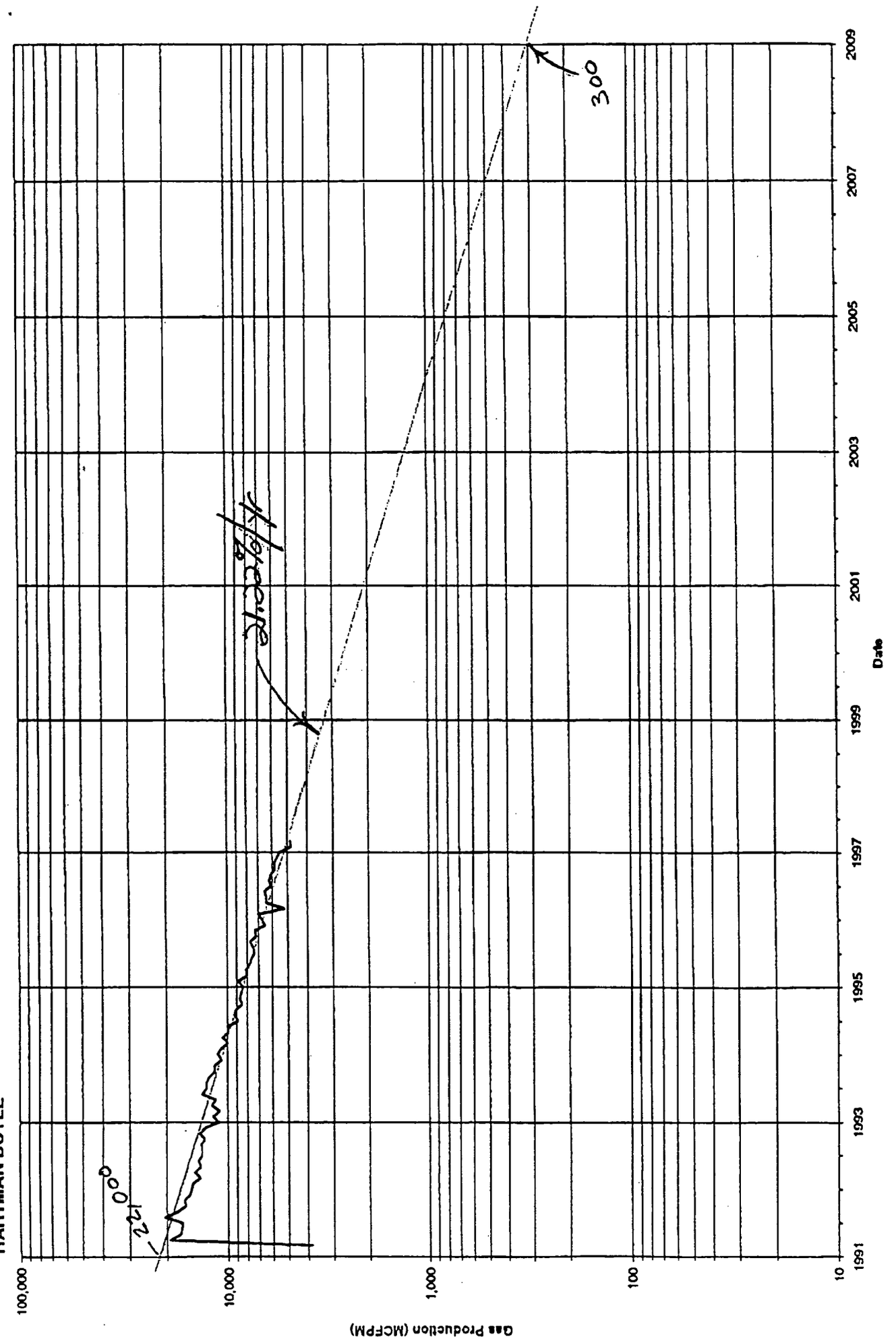
2-14-91: 4 ½ hr SICP = 192 psig.
CO to PBTD @ 3550'.
POP @ 9 x 54 x 1 ¾.

2-22-91: POP @ 12 x 54 x 1 ¾ (Increased SPM)

3-2-91: Est. C = 50

5/96: AMR = 7,000 MCFPM + 160 BOPM
Cum. = 720 MMCF + 18.5 MBO
Est. Rem. = 341 MMCF + 7.2 MBO
Est. Ult. = 1061 MMCF + 25.7 MBO
b = 0.217

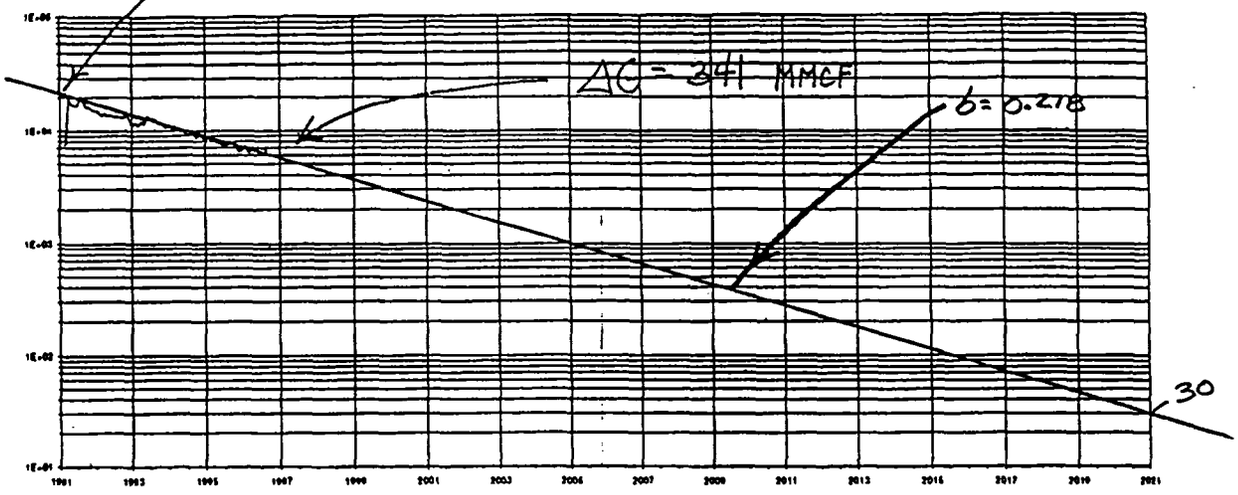
D-6-24S-37E


2/1997: 0.765188 BCF
CAR A EAVES NCT A #2
JALMAT (TANSILL YATES SEVEN RIVERS)YS
6D 24S 37E
HARTMAN DOYLE
300
Hyperbolic
122,000
100,000
10,000
1,000
100
10
Gas Production (MCFPM)
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
Date

CARTER EAVES NCT A #2
6D 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
HARTMAN DOYLE

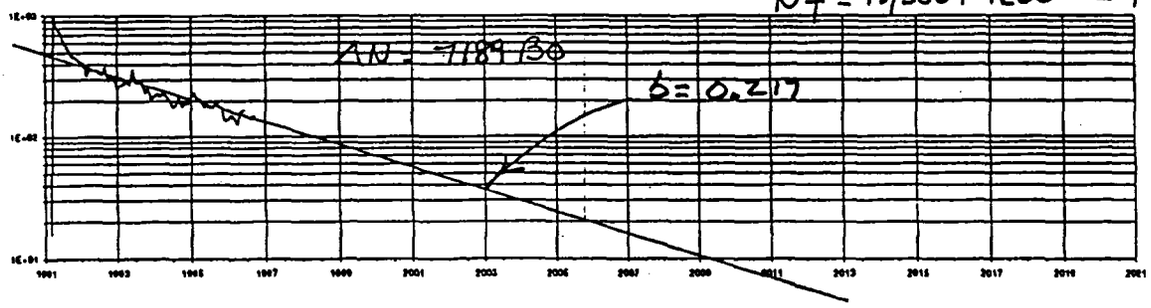
$G_T = 720 + 341 = 1061$

Gas Production (MCFPM)

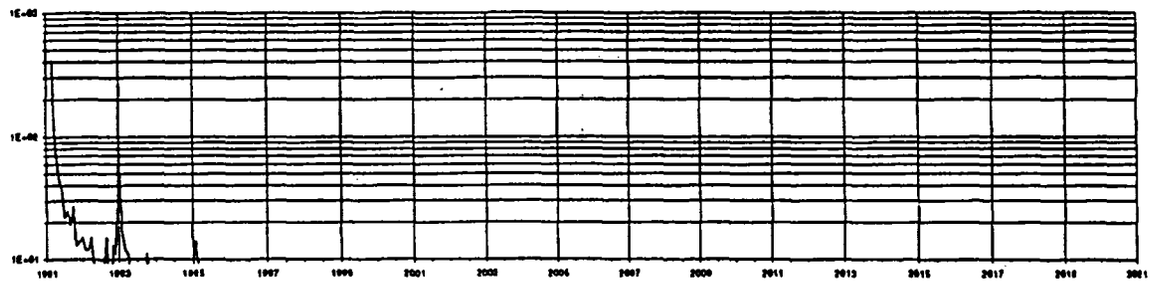


Oil Production (BPM).

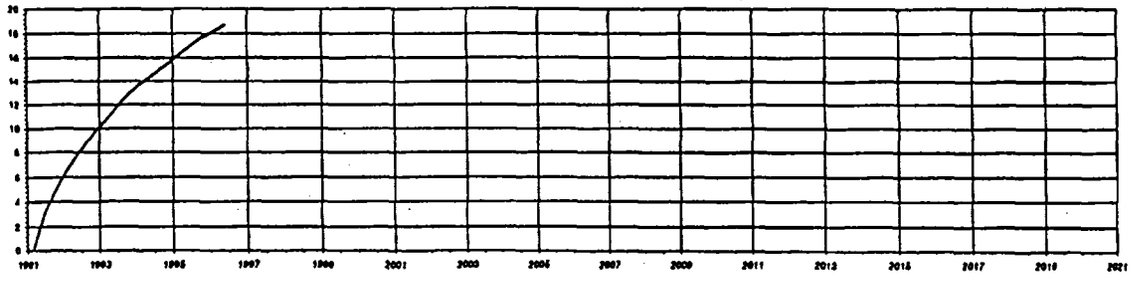
$N_T = 18{,}500 + 7200 = 25{,}700$ Bo



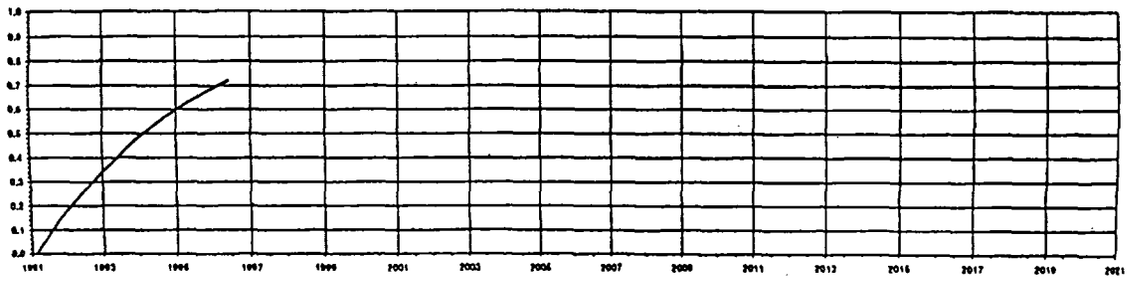
Water Production (BPM)



Cumulative Oil Production (MBBLS)



Cumulative Gas Production (BCF)



COMPANY Amoco Production Co.

WELL Myers "B" Federal RA No. 31

FIELD Jalmat (Gas)

LOCATION 1650 FNL & 1830 FEL (G)
Section 6, T-24-S, R-37-E

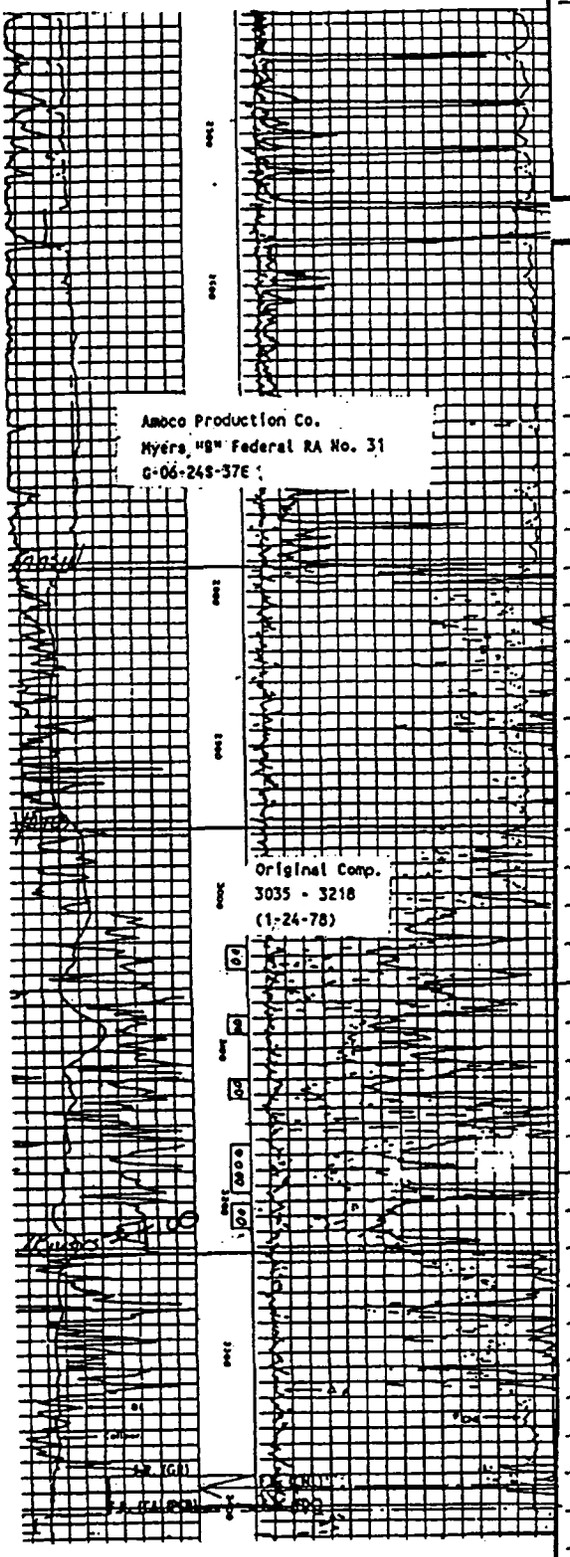
COUNTY Lea

STATE New Mexico

ELEVATIONS: KB

DF

GL 3325



COMPLETION RECORD

SPUD DATE 12-31-77 COMP. DATE 1-24-78

TD 3400 PBTD

CASING RECORD 8-5/8 @ 1193 w/550 Circ/50 sx
5-1/2 @ 3400 w/600 Circ/40 sx

PERFORATING RECORD Perf: 3035 - 3218 w/144 shot

STIMULATION A/3000
SF/50,000 + 61,000

IP IPF = 1904 MCFPD

GOR GR

TP 100# SITP 260# CP 100#

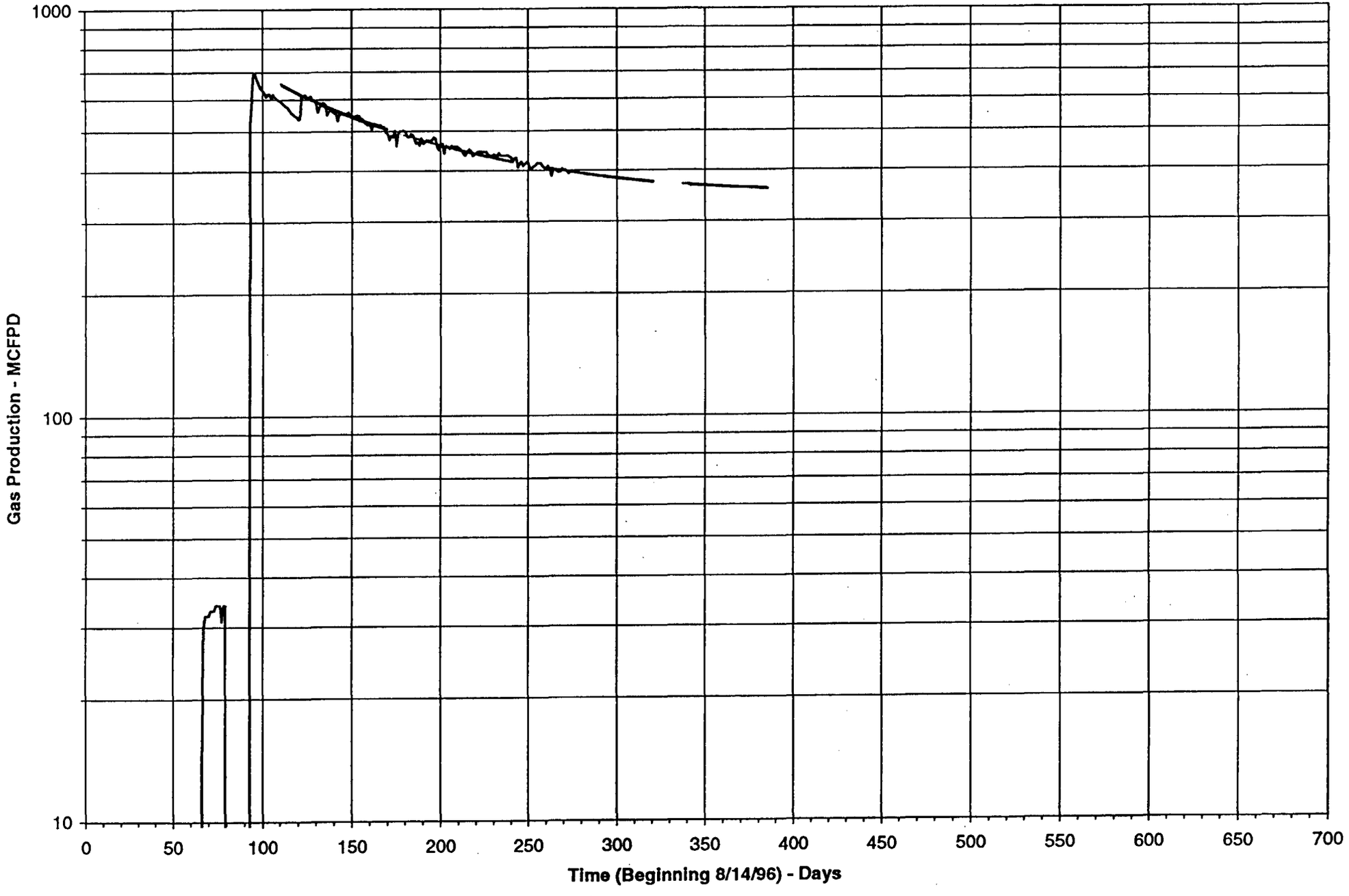
CHOKE 32/64 TUBING @

REMARKS

Clean out to approx 3380
Add perfs 3010 - 3030
Frac with large frac

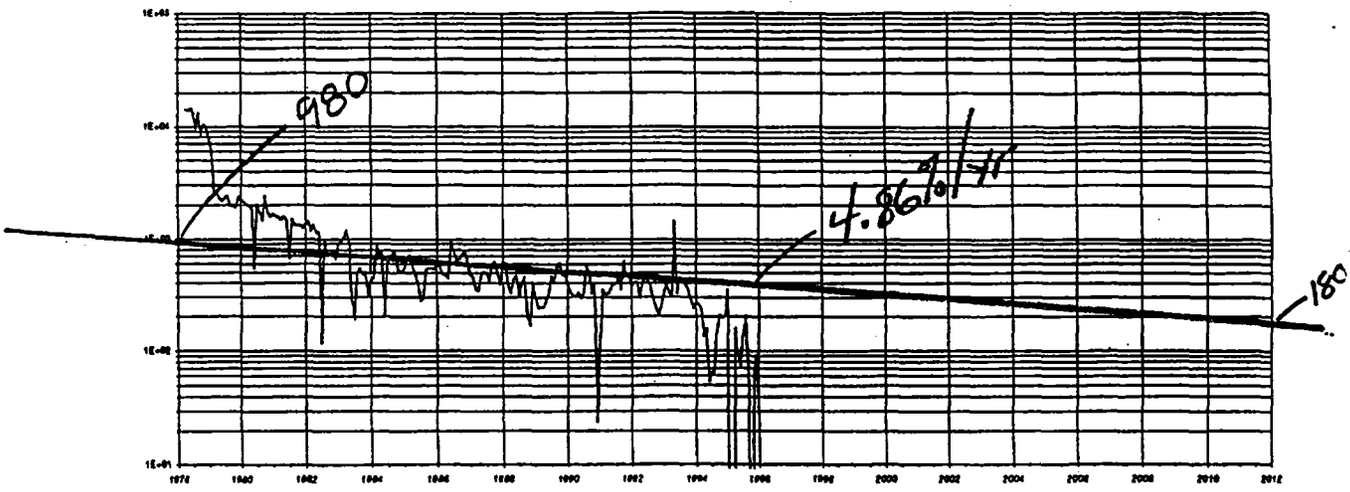
G-06-24S-37E

Myers B Federal No. 31
Jalmat Gas Pool
G-6-24S-37E

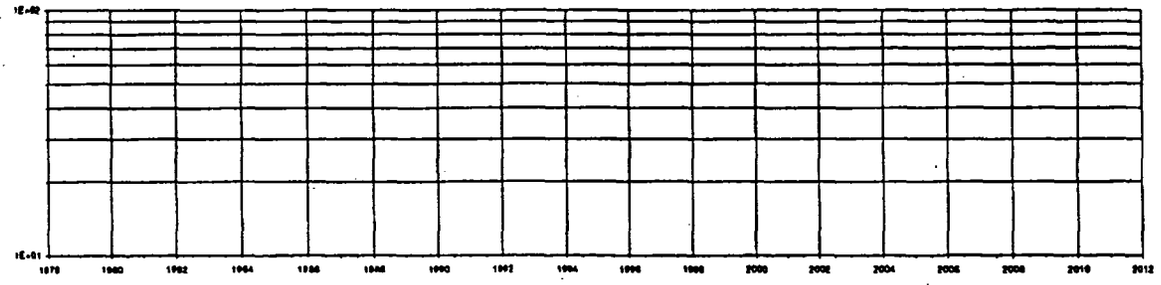


MYERS B FEDERAL RA B #31
6Q 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
AMOCO PRODUCTION CO

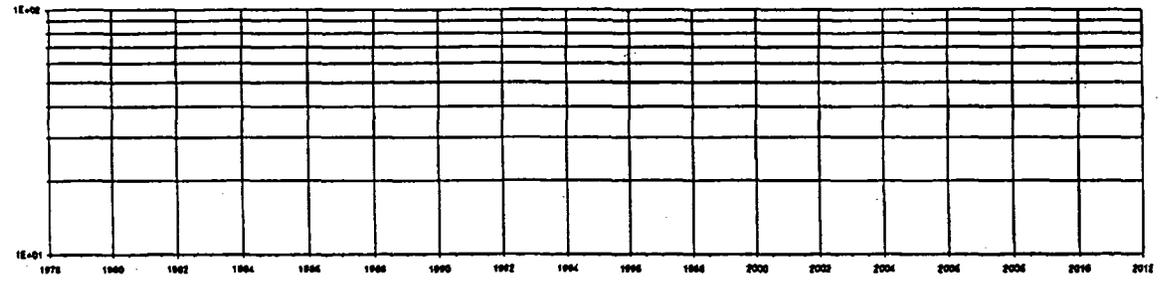
Gas Production (MCFPM)



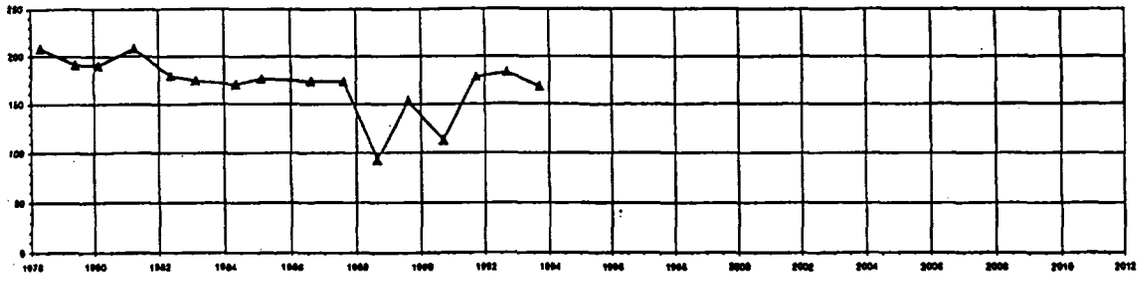
Oil Production (BPM)



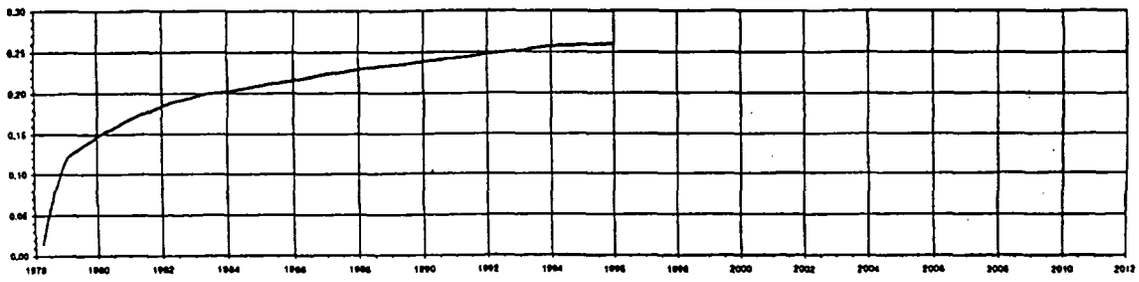
Water Production (BPM)

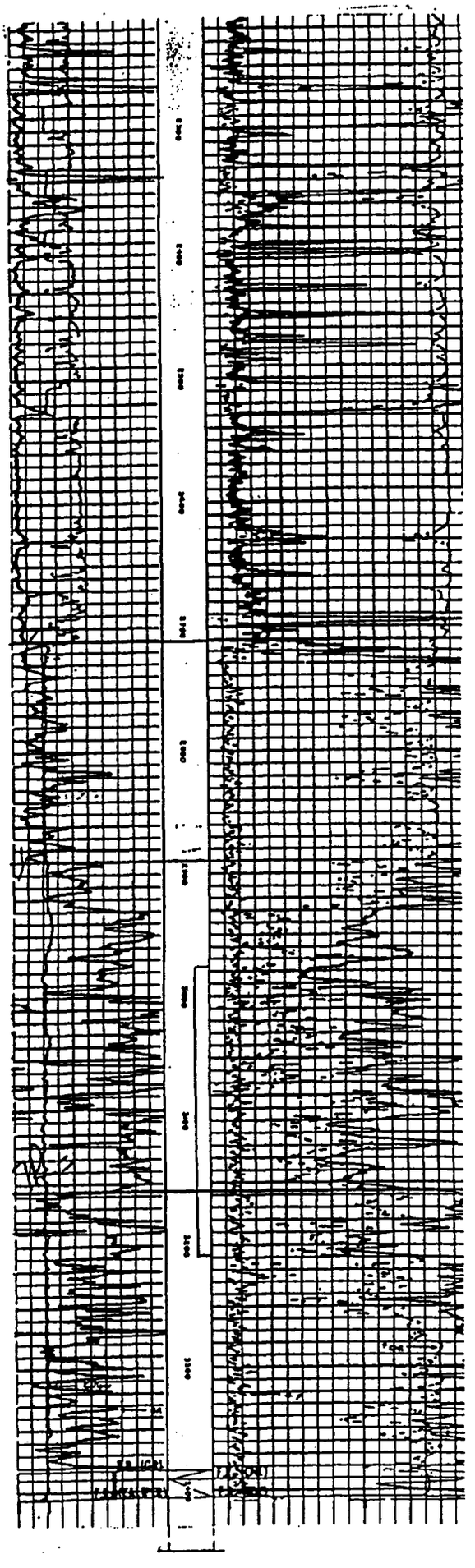


WHSIP (psia)



Cumulative Gas Production (BCF)





COMPANY: Amoco

WELL: Myers "B" Federal RA No. 33

FIELD: Jalmat

LOCATION: 940' FNL & 2090' FEL (B)
Section 7, T-24-S, R-37-E

COUNTY: Lea

STATE: New Mexico

ELEVATIONS: KB ____ DF ____ GL 3305

COMPLETION RECORD

SPUD DATE: 6-23-78 COMP. DATE: 7-26-78

TD: 3450 PBTD: 3412

CASING RECORD: 8 5/8 @ 1205 w/500
5 1/2 @ 3450 w/575

PERFORATING RECORD: Perf: 2977-3207

STIMULATION: A/3600 15%
SF/40,000 + 60,000
w/10,000 CO_2

IP: TPF = 580 MCFPD

GOR ____ GR ____

TP: 160# CP: 240#

CHOKE: 25/64 TUBING ____ @ ____

REMARKS:

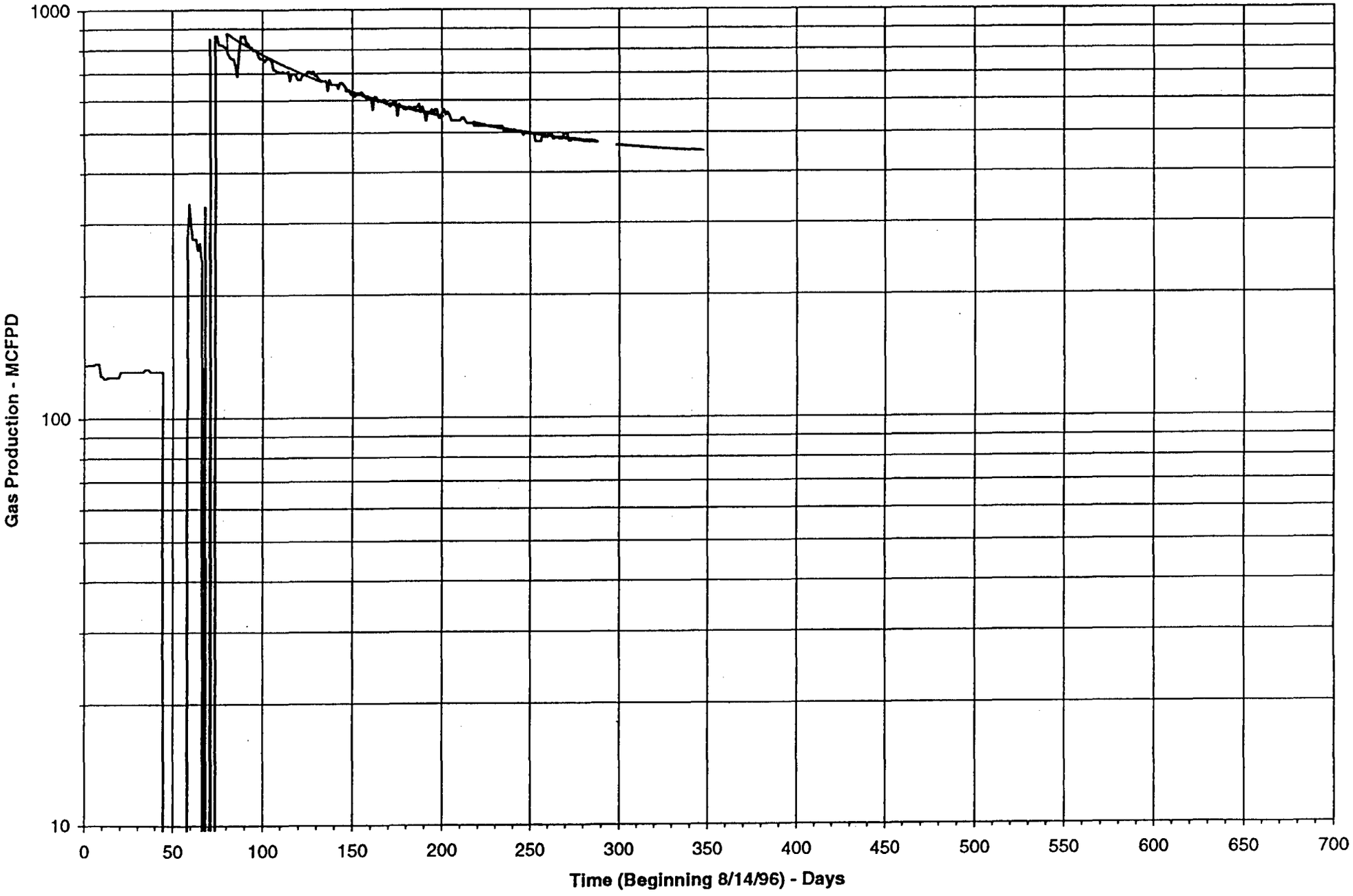
12/78 CAOF 2015 MCFPD

AVG. 1990 CUM JALMAT PROD 930 MMCF

1990 AVG JALMAT PROD 313 MCFPD
(238 DAYS)

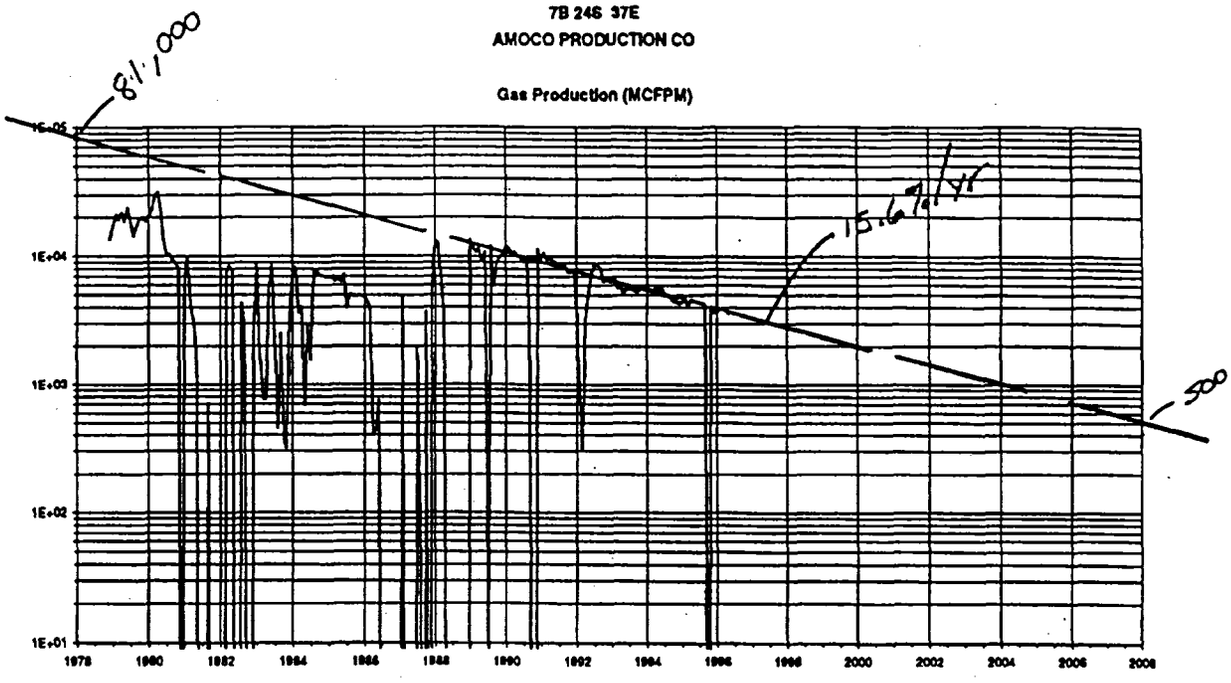
B-07-24S-37E

Myers B Federal No. 33
Jalmat Gas Pool
B-7-24S-37E

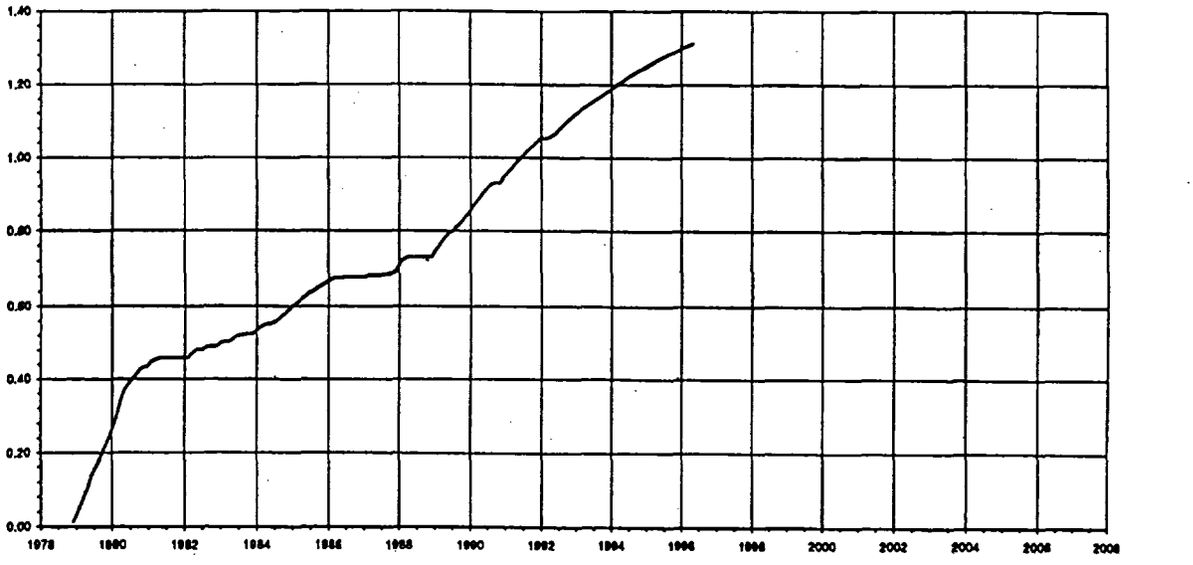


MYERS B FEDERAL RA B #33
JALMAT (TANSILL YATES SEVEN RIVERS)YS
7B 24S 37E
AMOCO PRODUCTION CO

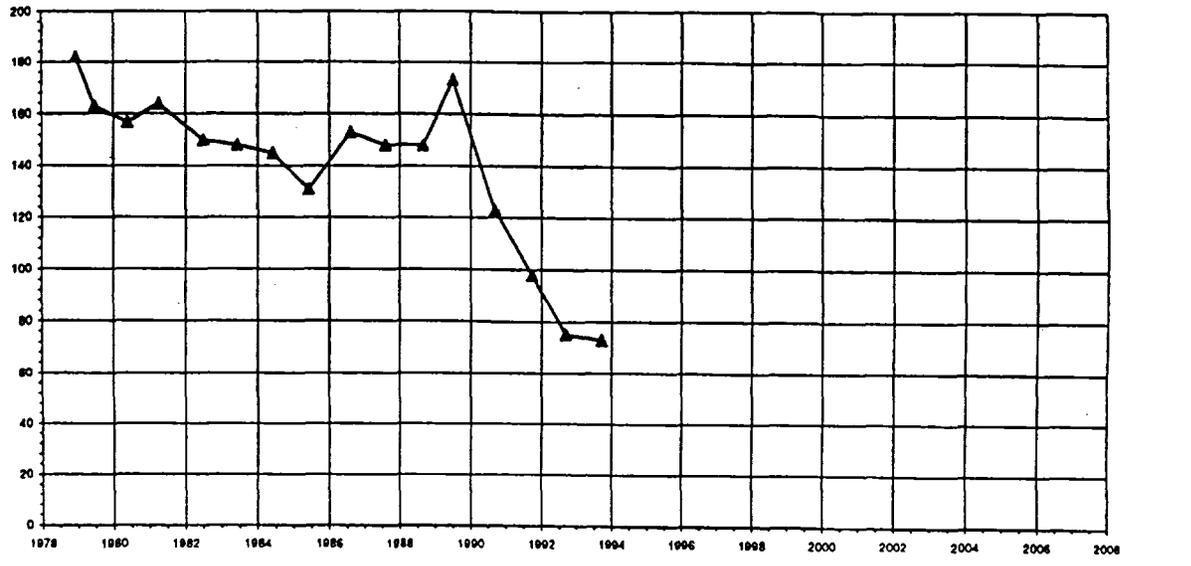
Gas Production (MCFPM)



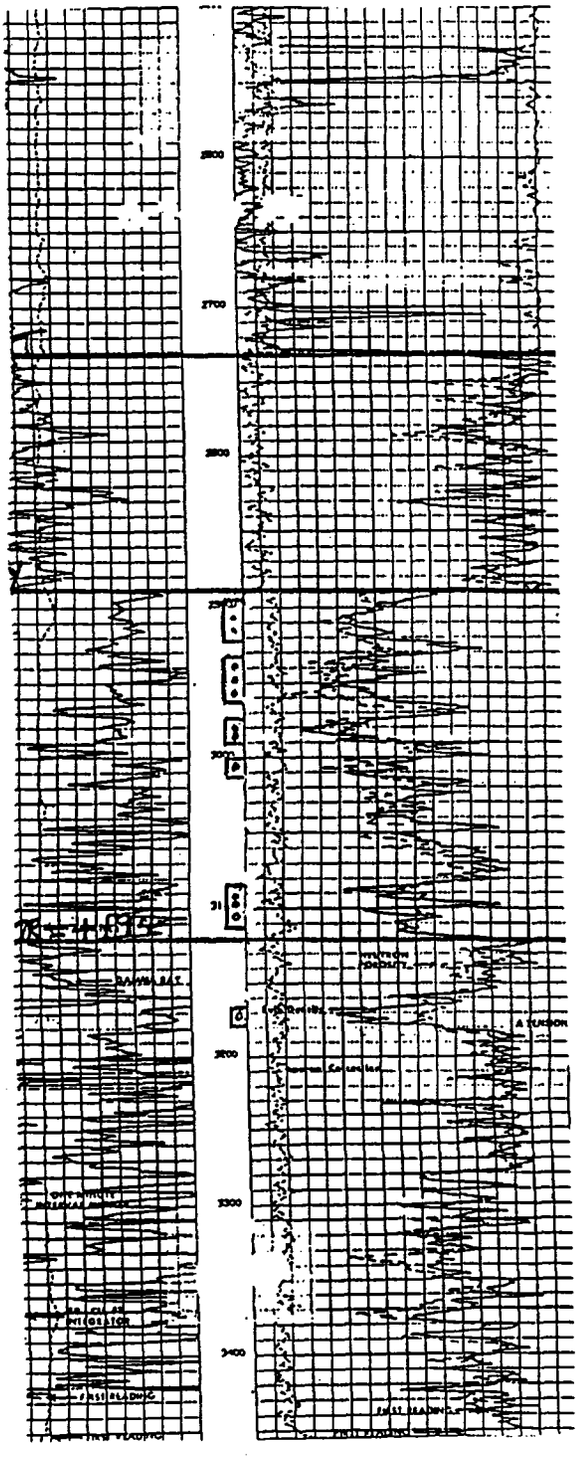
Cumulative Gas Production (BCF)



WHSIP (psia)



COMPANY Meridian
(Doyle Hartman)
WELL Toby No. 3
FIELD Jalmat (Gas)
LOCATION 1780' FSL & 1100' FWL (L)
Sec. 7, T-24-S, R-37-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3314
DF
GL 3303



COMPLETION RECORD

SPUD DATE 5-28-82 COMP. DATE 6-12-82
TD 3450 PBTD 3386
CASING RECORD:
9 5/8, 36# @ 430 w/250 (TOC @ Circ.)
7, 23# @ 3450 w/500 (TOC @ Circ.)
(TOC @)
(TOC @)
COMP. INTERVAL Perf 2897-3177 w/21

STIMULATION A/5600 15% NCA
ATR = 5 ½ BPM. ATP = 1450 psi.
ISIP = 300 psi. 5-min. SIP = 0.
POT P/725 MCFPD (After Frac)
GOR GR
TP CP 182 psig (SICP = 196 psig)
CHOKE 28/64 TUBING 2 3/8 @ 3262
REMARKS
6-9-82: SICP = 206 psig (After acid)

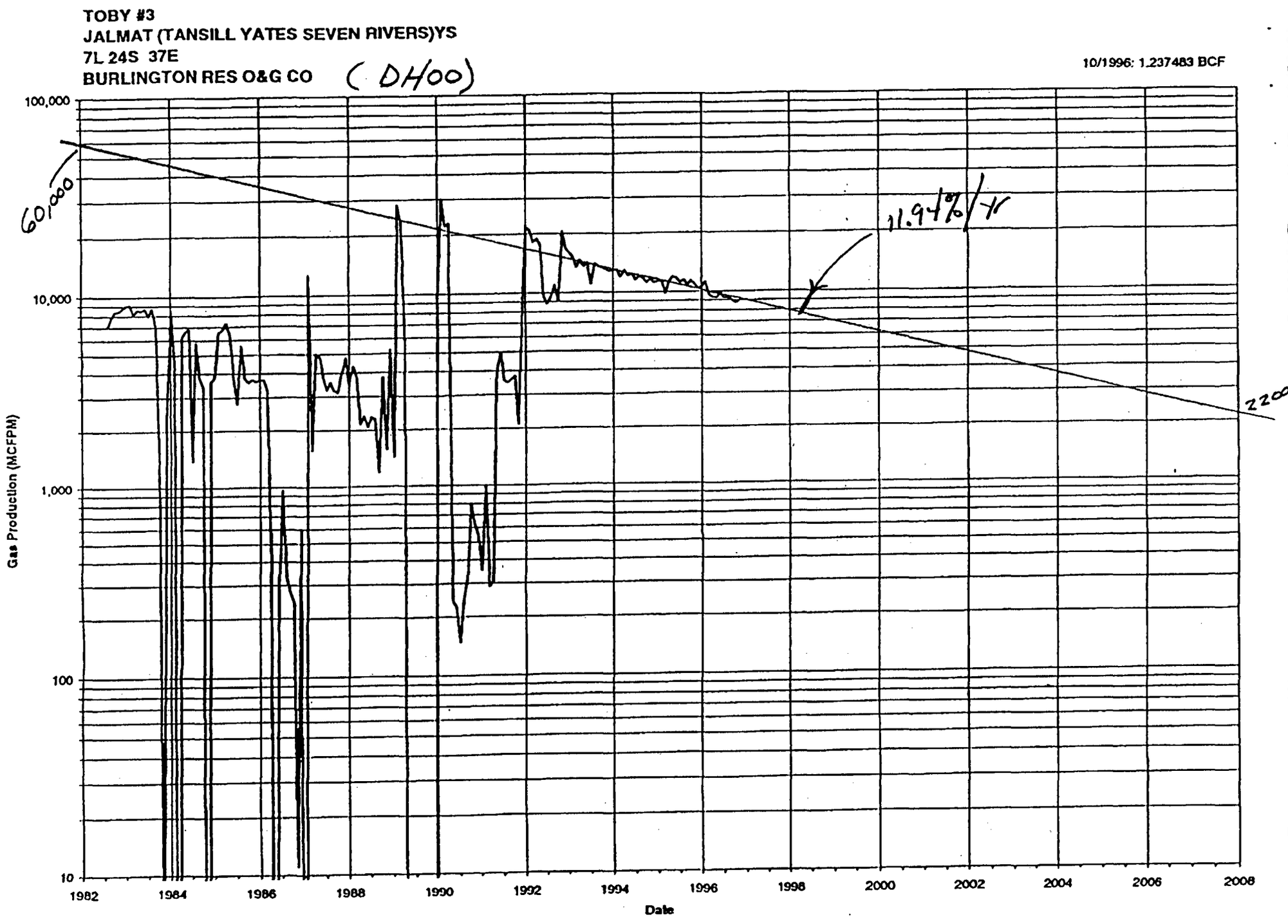
6-10-82: SWF/92,000 + 214,000
ATR = 30 BPM
ATP = 1300 psi
ISIP = 530 psi
1-hr. SIP = 470 psi
19.5-hr. Test:
Flow Path - annulus
Choke = 64/64
FCP = 63 psi
FTP = 153 psi
(Sand Fill @ 3310' RKB)

6-11-82: POP @ 8 ½ x 64 x 1 ½.
SICP = 196 psig (After Frac)

6-12-82: Est. C = 128

1/96: AMR = 10,000 MCFPM
Cum. = 1140 MMCF
Est. Rem. = 611 MMCF
Est. Ult. = 1751 MMCF
b = 0.161

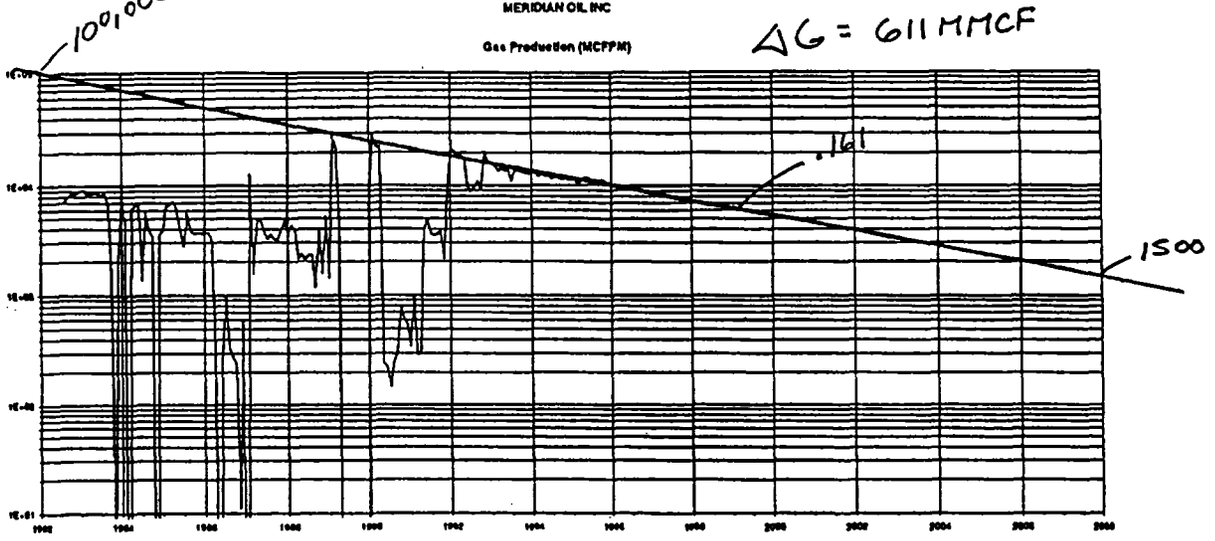
L-7-24S-37E

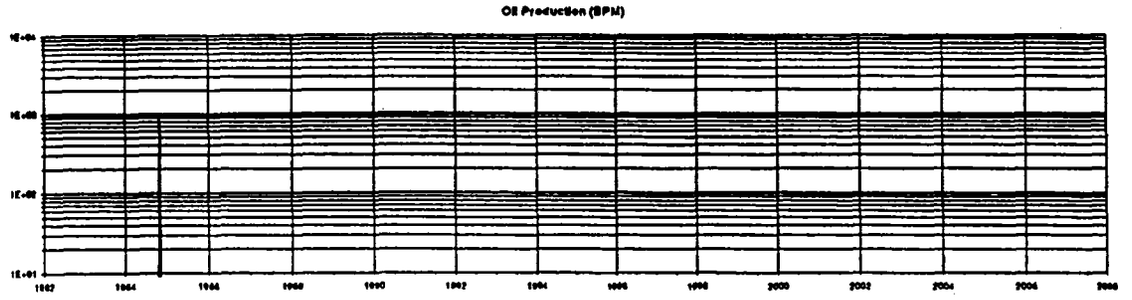


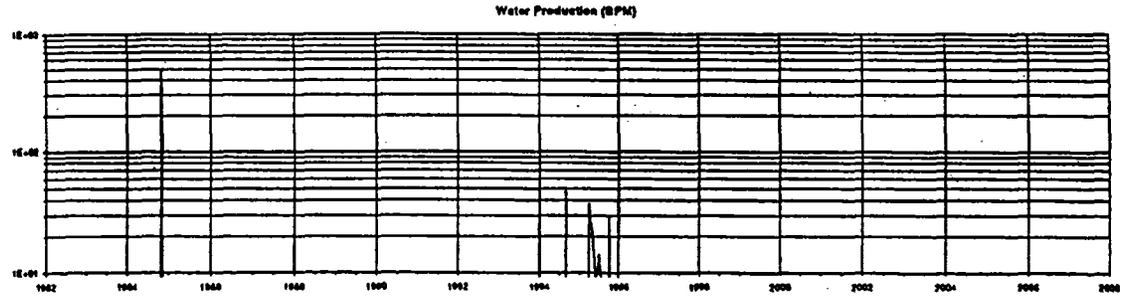
$G_p = 1150 + 511 = 1661$

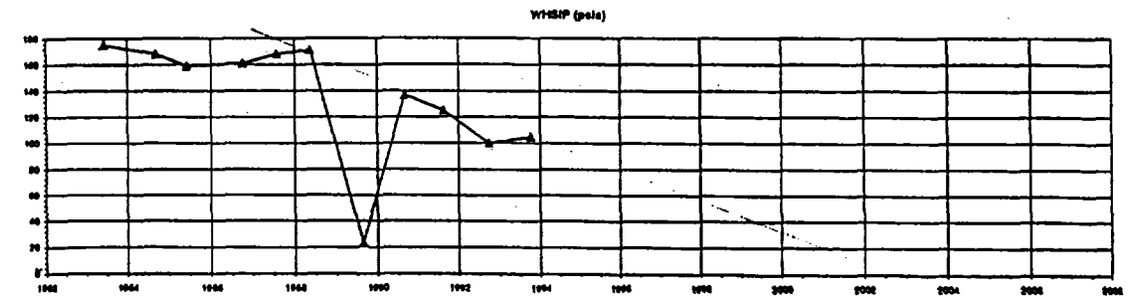
TOBY #3
7L 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
MERIDIAN OIL INC

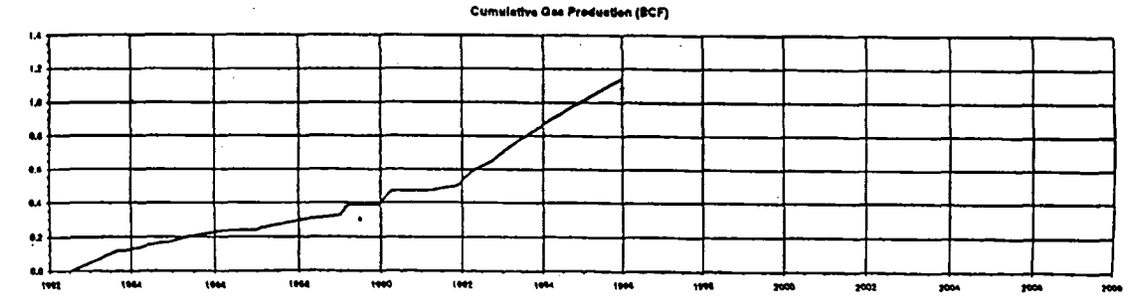
$\Delta G = 611$ MMCF











COMPANY Doyle Hartman

WELL Liberty Royalties No. 6

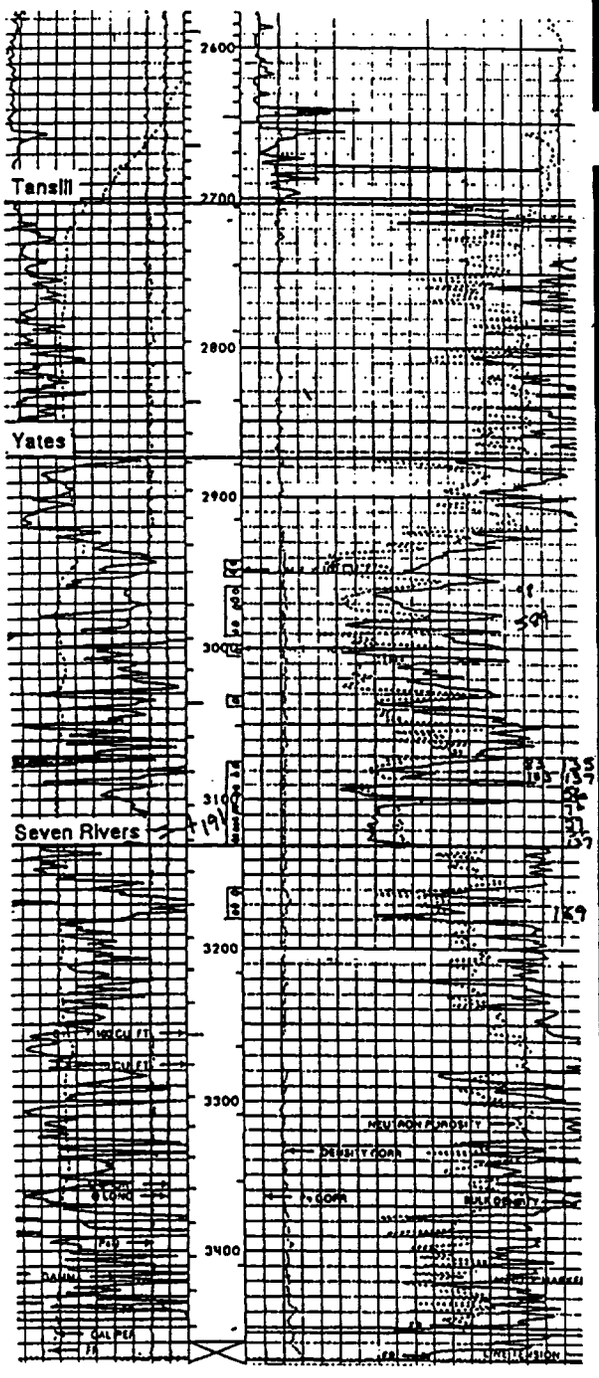
FIELD Jalmat (Gas)

LOCATION 660' FSL & 1400' FEL (O)
Sec. 7, T-24-S, R-37-E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB 3316
DF
GL 3305



COMPLETION RECORD

SPUD DATE 9-18-89 COMP. DATE 8-30-89

TD 3486 PBTD

CASING RECORD:

9 5/8, 36# @ 421 w/250 (TOC @ Circ.)

7, 23# @ 3486 w/1100 (TOC @ Circ.)

(TOC @)

(TOC @)

COMP. INTERVAL Perf 2944-3177 w/23

STIMULATION A/6660 15% NCA
ATR = 5 BPM
ATP = 1600 psi

POT P/151 MCFPD (After acid)

GOR GR

TP CP 29 psig (SICP = 151 psig)

CHOKE 64/64 TUBING 2 3/8 @ 3301

REMARKS

8-29-89: POP @ 9 x 64 x 1 ¼

8-30-89: SICP = 151 psig (After acid)

8-31-89: SWF/175,000 + 336,000
ATR = 37 BPM
ATP = 1447 psi
SITP = 302 psi
SICP = 380 psi

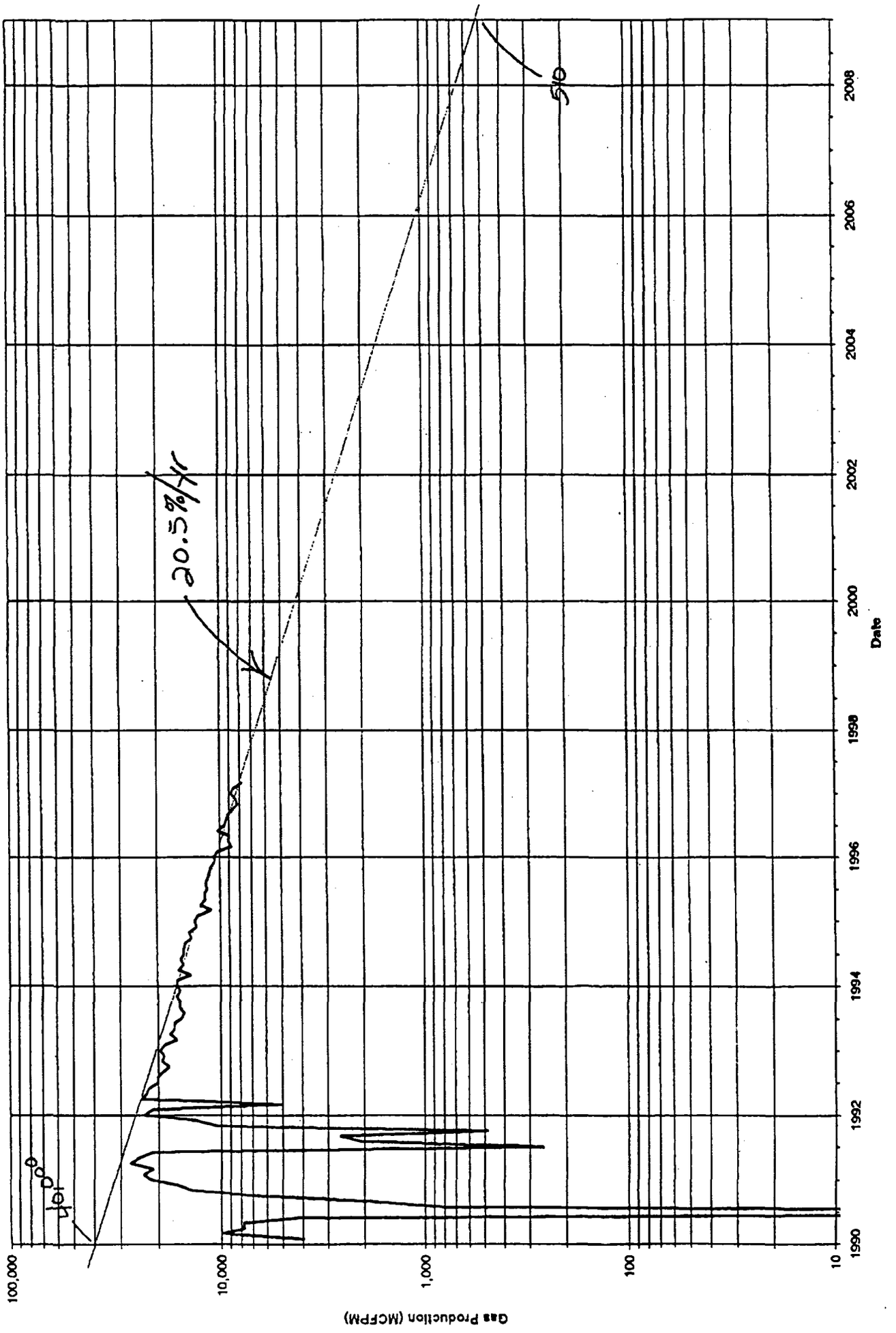
9-1-89: SICP = 186 psig

9-5-89: F/1766 MCFPD
Choke = 64/64
FCP = 91 psig

9-10-89: 25-hr. SICP = 111 psig (After frac)

3/96: AMR = 10,000 MCFPM
Cum. = 1040 MMCF
Est. Rem. = 584 MMCF
Est. Ult. = 1624 MMCF
b = 0.191

O-7-24S-37E

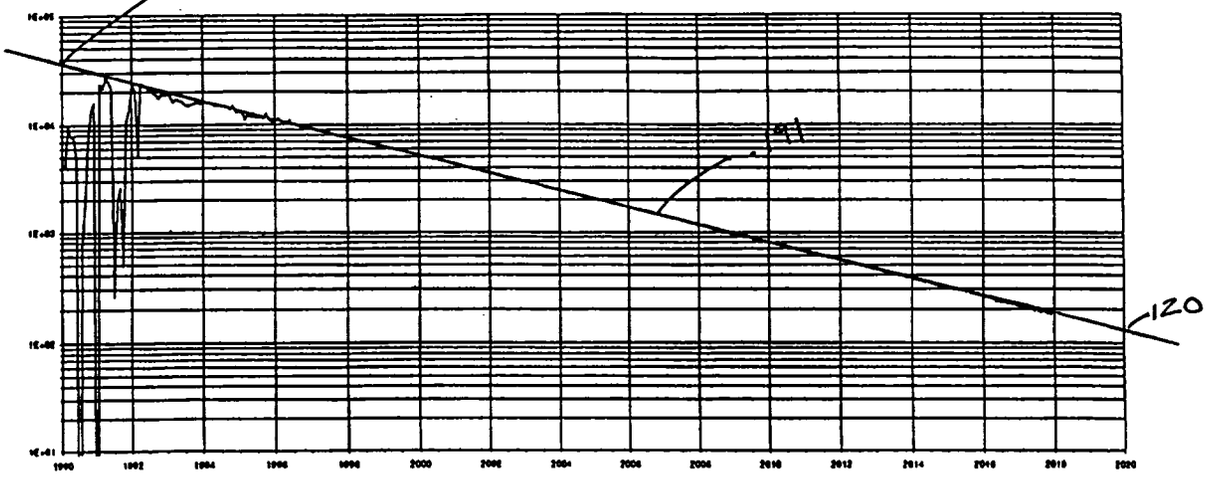

LIBL ROYALTIES #6
JALMAT (TANSILL YATES SEVEN RIVERS)YS
7O 24S 37E
HARTMAN DOYLE
2/1997: 1.12796 BCF
20.5%/yr
5%
100,000
10,000
1,000
100
10
Gas Production (MCFPM)
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
Date

LIBERTY ROYALTIES #6
7O 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
HARTMAN DOYLE

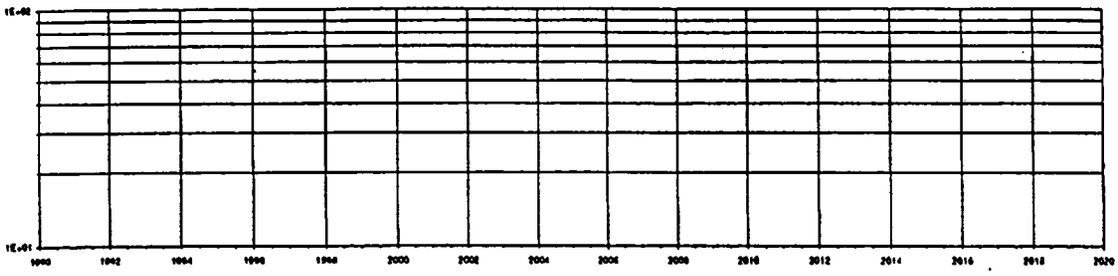
37,000

ΔG = 584 MMCF

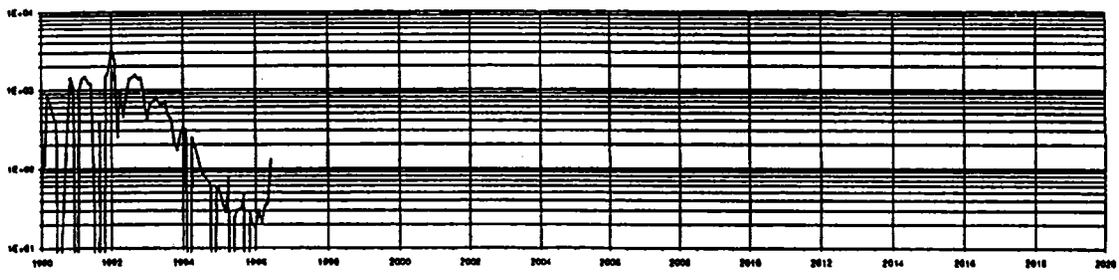
Gas Production (MCFPM)



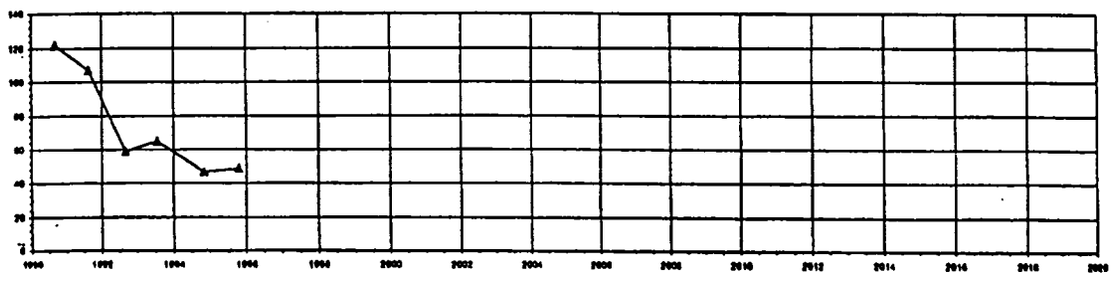
Oil Production (BPM)



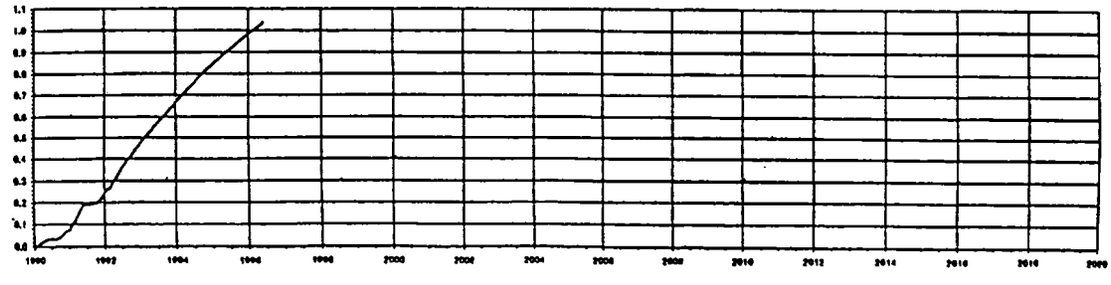
Water Production (BPM)



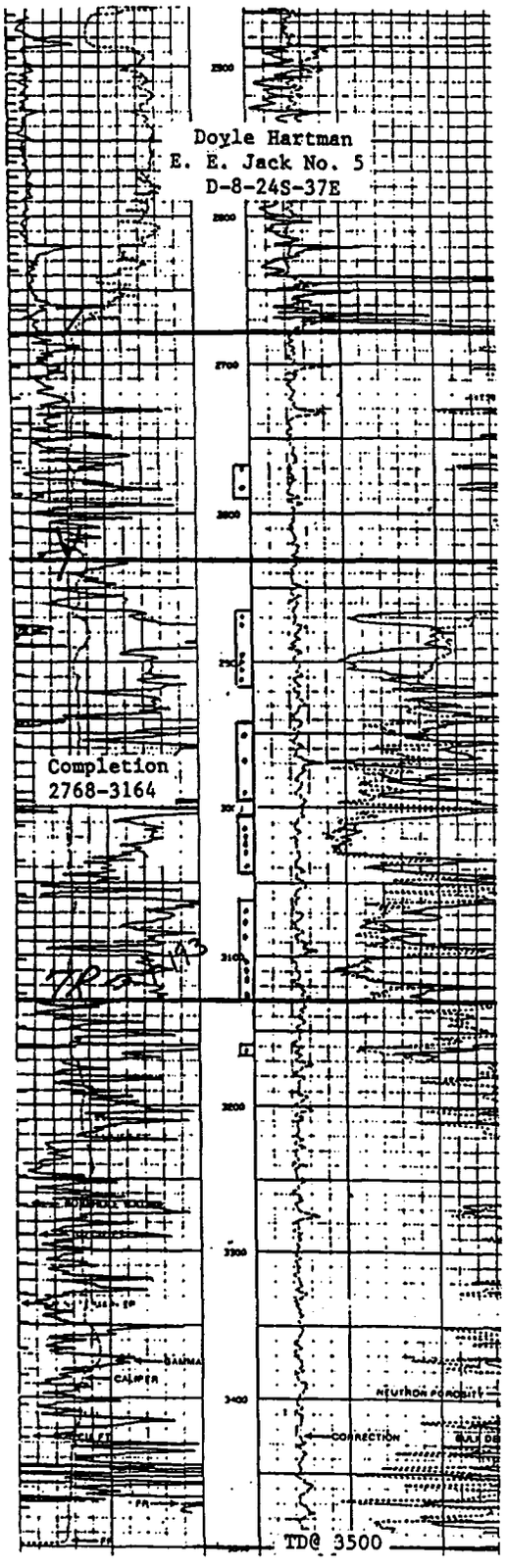
WHSIP (psia)



Cumulative Gas Production (BCF)



COMPANY Meridian
(Doyle Hartman)
WELL E.E. Jack No. 5
FIELD Jalmat (Gas)
LOCATION 990' FNL & 660' FWL (D)
Sec. 8, T-24-S, R-37-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3323
DF
GL 3312



COMPLETION RECORD

SPUD DATE 9-27-85 COMP. DATE 10-9-75
TD 3500 PBTD 3471
CASING RECORD:
9 5/8, 40# @ 402' w/350 (TOC @ Circ.)
7, 26# @ 3498' w/1150 (TOC @ Circ.)
(TOC @)
(TOC @)
COMP. INTERVAL Perf: 2768-3164 w/24

STIMULATION A/5675 15% MCA
ATR = 4.5 BPM ATP = 2536 psi.
ISIP = 1500 psi. 15-min. SIP = 200 psi.
POT IPF = 603 MCFPD (Kicked off w/o swabbing)
GOR GR
TP 78 CP 103
CHOKE 32/64 TUBING @
REMARKS Gas Show: While drilling, experienced gas entry from Tansil.

10-11-85: Lowered tubing to 2955'. F/310 MCFPD.
Choke = 16/64. FTP = 175 psi. FCP = 228 psi.

10-13-85: SICP = 233 psig.

10-15-85: SWF/214,000 + 449,000.
ATR = 36 BPM. ATP = 1760 psi.
ISIP = 590 psi. 1-hr. SIP = 530 psi.
Flare @ 345 psig. After 19 hrs, FTP = 66,
FCP = 206 on 64/64 choke.

10-16-85: SIP = 211 psig.

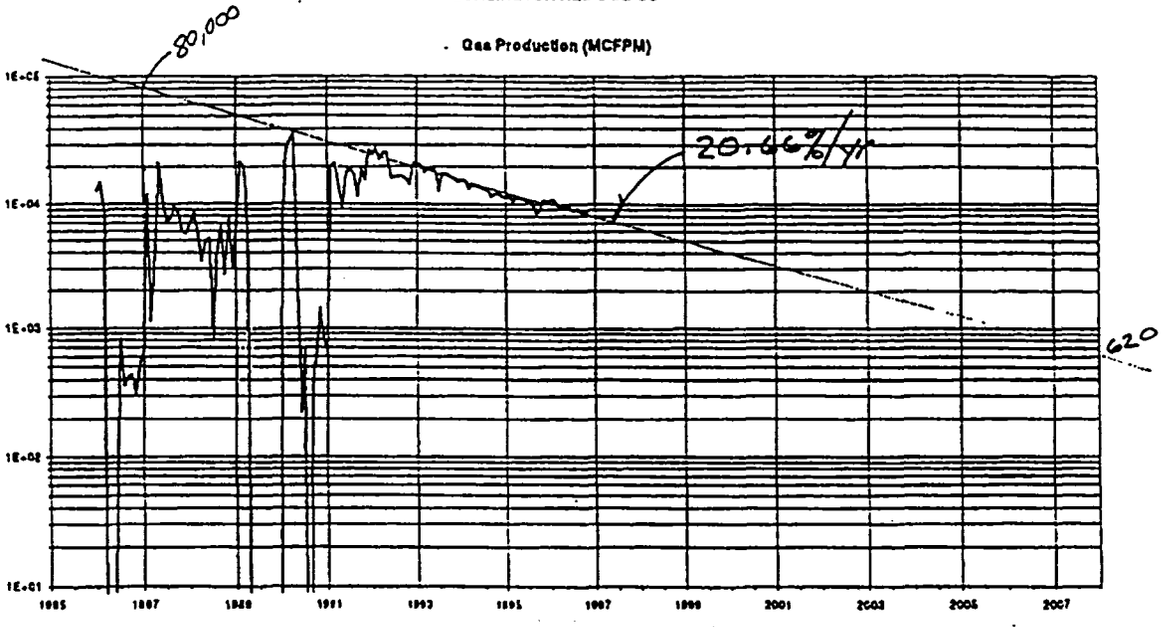
10-17-85: F/922 MCFPD.
Choke = 24/64. FTP = 151.
FCP = 189.

1-96: AMR = 10,000 MCFPM
Cum. = 1300 MMCF
Est. Rem. = 476 MMCF
Est. Ult. = 1776 MMCF
b = 0.232

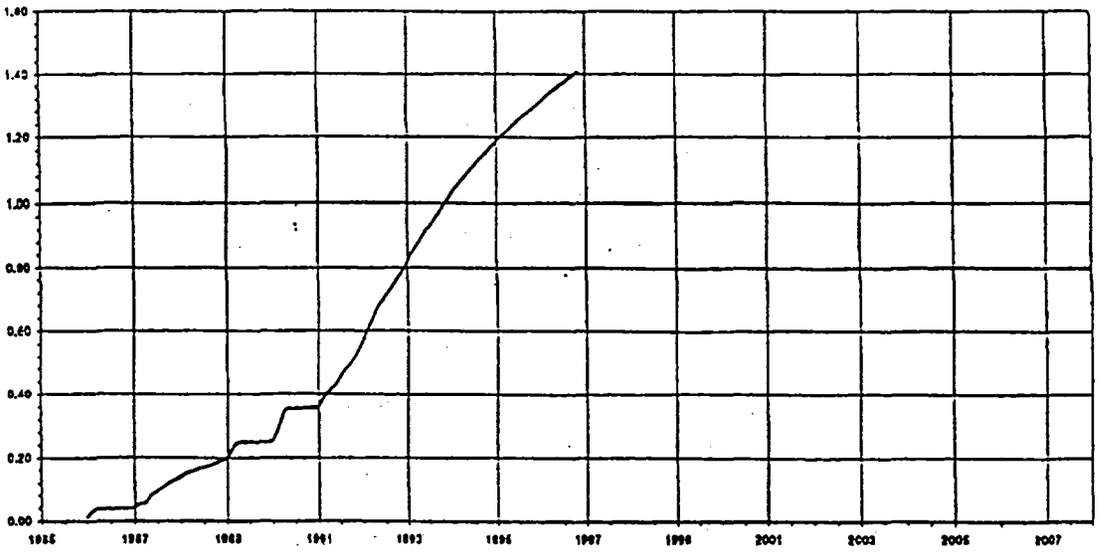
D-8-24S-37E

E E JACK #6
JALMAT (TANSILL YATES SEVEN RIVERS)YS
6D 24S 37E
BURLINGTON RES O&G CO

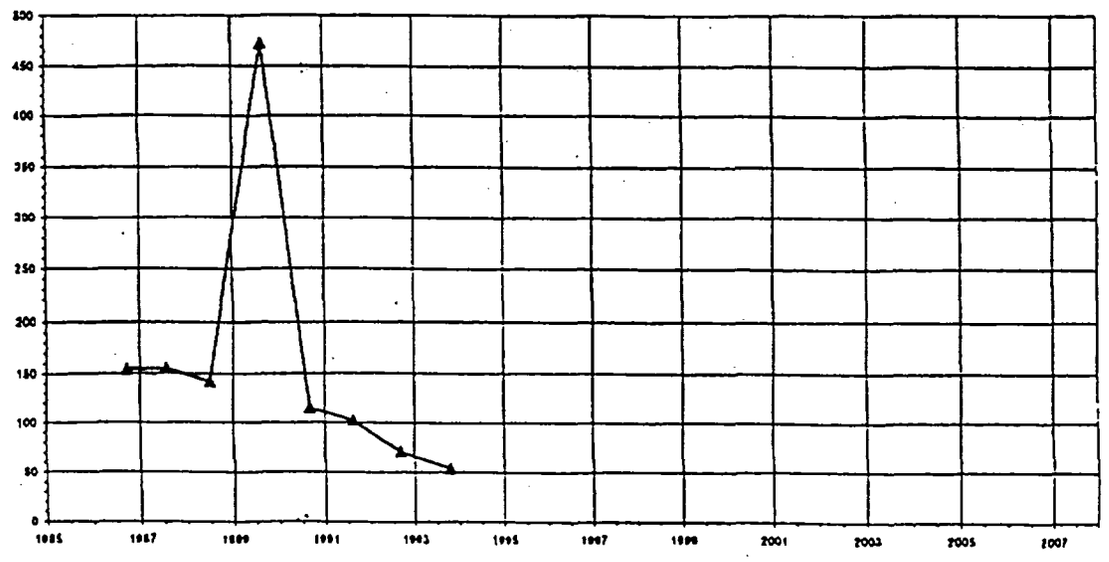
Gas Production (MCFPM)



Cumulative Gas Production (BCF)



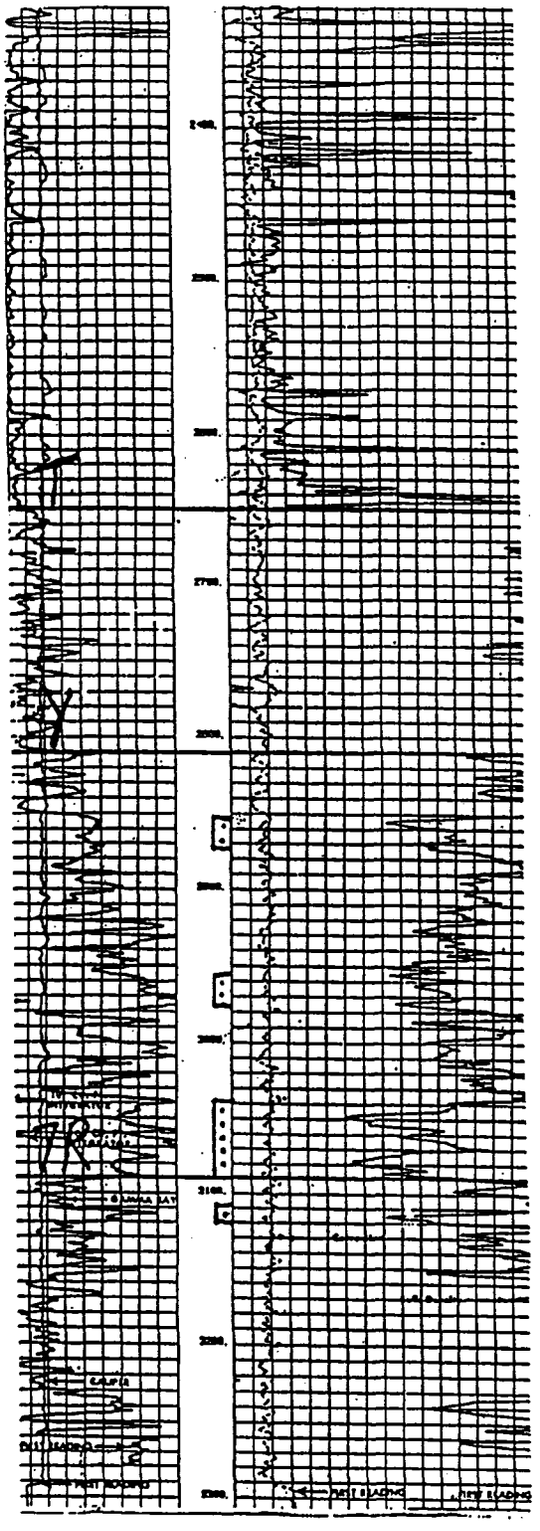
WHSIP (psia)



10/96: 1.407 BCF

COMPANY Meridian
(Doyle Hartman)
WELL Late-Thomas No. 3

FIELD Jalmat (Gas)
LOCATION 1980' FSL & 2080' FEL (J)
Sec. 17, T-24-S, R-37-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3277
DF
GL 3267



COMPLETION RECORD

SPUD DATE 9-15-81 COMP. DATE 10-4-81
TD 3350 PBTD 3265
CASING RECORD:
9 5/8, 40# @ 426 w/225 (TOC @ Circ.)
7, 26# @ 3350 w/600 (TOC @ Circ.)
(DV Tool @ 2458') (TOC @)
(TOC @)
COMP. INTERVAL Perf 2855-3117 w/20

STIMULATION A/4500 15% NCA
ATR = 5 BPM
ATP = 1850 psi ISIP = 150 psi
POT IPF = 70 MCFPD (Acid)
GOR GR
TP 35 CP 105 (SICP = 162)
CHOKE 16/64 TUBING 2 3/8 @ 3195
REMARKS
10-6-81: SWF/70,800 + 158,000
ATR = 20 BPM
ATP = 1000 psi
ISIP = 600 psi
1-hr. SIP = 525 psi

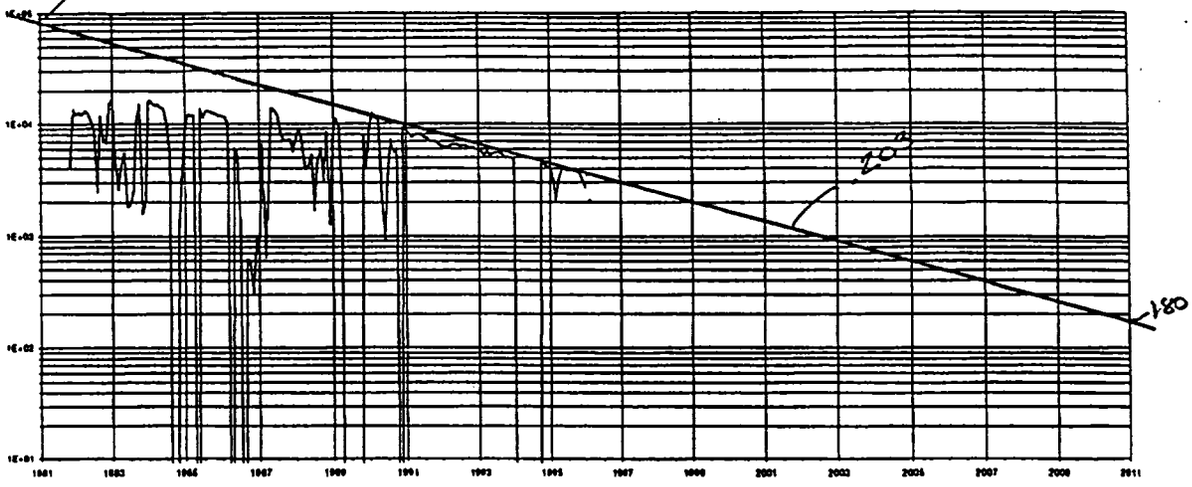
10-26-81: P/548 MCFPD
Choke = 29/64
PCP = 103 psi
RPA = 8 ½ x 54 x 1 ¼
C = 31.9 @ SIP = 162 psi

1/96: AMR = 3500 MCFPM
Cum = 1070 MMCF
Est. Rem. = 160 MMCF
Est. Ult. = 1230 MMCF
b = 0.203

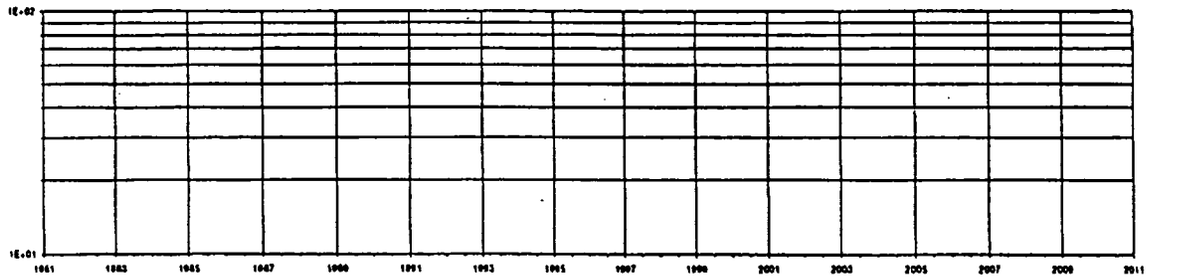
J-17-24S-37E

LATE THOMAS #3
17J 24S 37E
JALMAT (TANSILL YATES SEVEN RIVERS)YS
MERIDIAN OIL INC

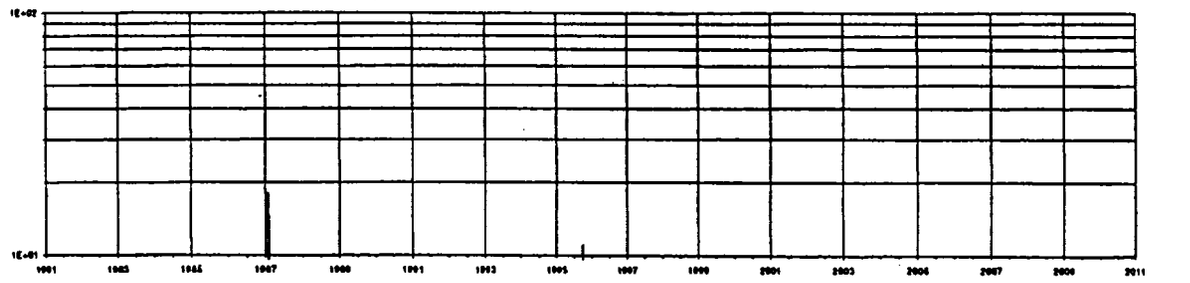
Gas Production (MCFPM)



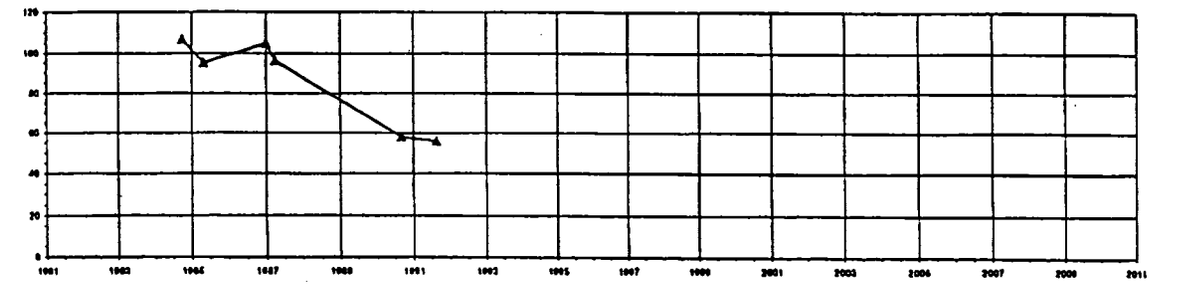
Oil Production (BPM)



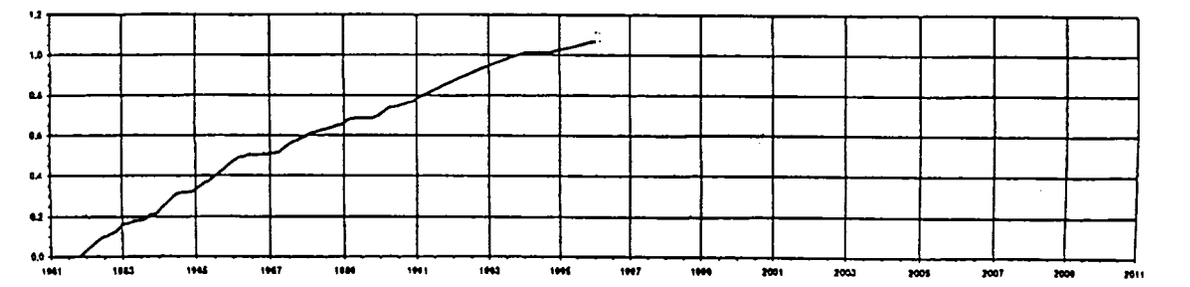
Water Production (BPM)



WHSIP (psia)

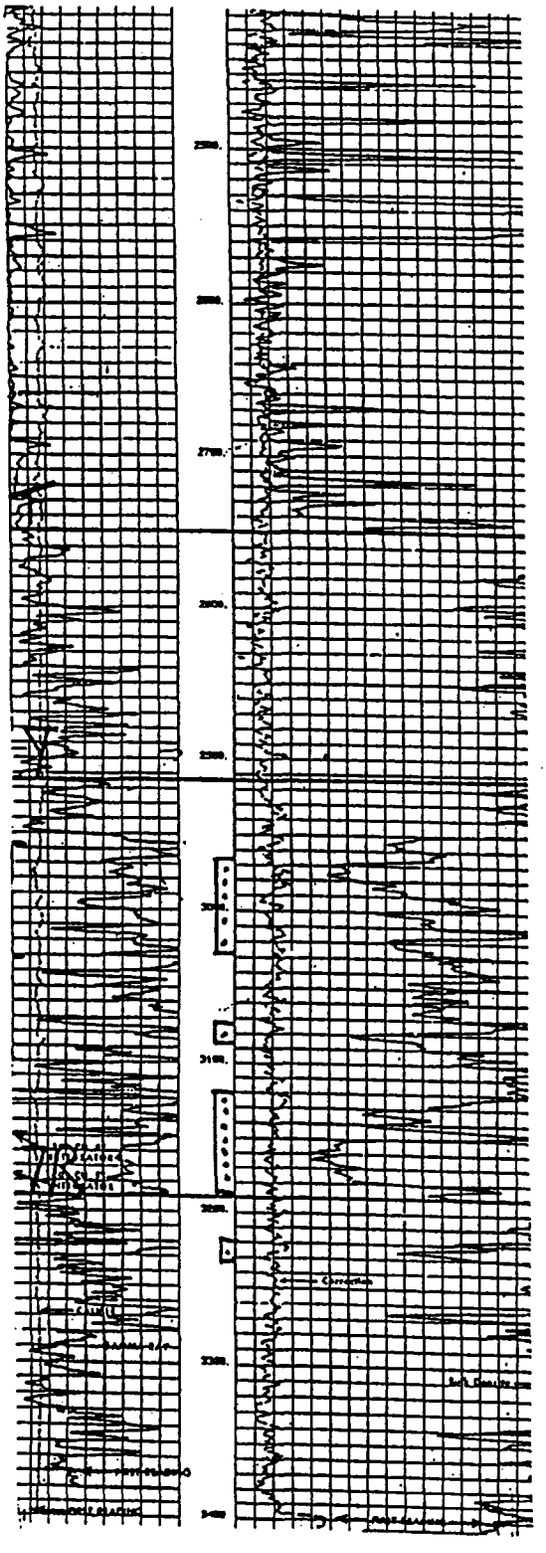


Cumulative Gas Production (BCF)



COMPANY Meridian
(Doyle Hartman)
WELL Late-Thomas No. 2

FIELD Jalmat (Gas)
LOCATION 1980' FSL & 990' FWL (L)
Sec. 17, T-24-S, R-37-E
COUNTY Lea
STATE New Mexico
ELEVATIONS: KB 3292
DF
GL 3282



COMPLETION RECORD

SPUD DATE 10-14-81 COMP. DATE 10-29-81
TD 3400 PBTD 3319
CASING RECORD:
9 5/8, 36# @ 425 w/225 (TOC @ Circ.)
7, 23# @ 3400 w/450 (TOC @ Circ.)
(TOC @)
(TOC @)
COMP. INTERVAL Perf 2957-3226 w/20

STIMULATION A/5500 15% NCA
ATR = 4.4 BPM
ATP = 1950 psi ISIP = 0 psi
POT IPP = 1497 MCFPD (After Frac)
GOR GR
TP CP 110 psi. (SICP = 142 psi)
CHOKE 44/64 TUBING 2 3/8 @ 3265
REMARKS
10-27-81: SWF/72,000 + 175,000
ATR = 25 BPM
ATP = 1300 psi
ISIP = 900 psi
1.33-hr. SIP = 550 psi
60/64: FCP = 64, FTP = 108

10-28-81: POP @ 8 ½ x 64 x 1 ¼

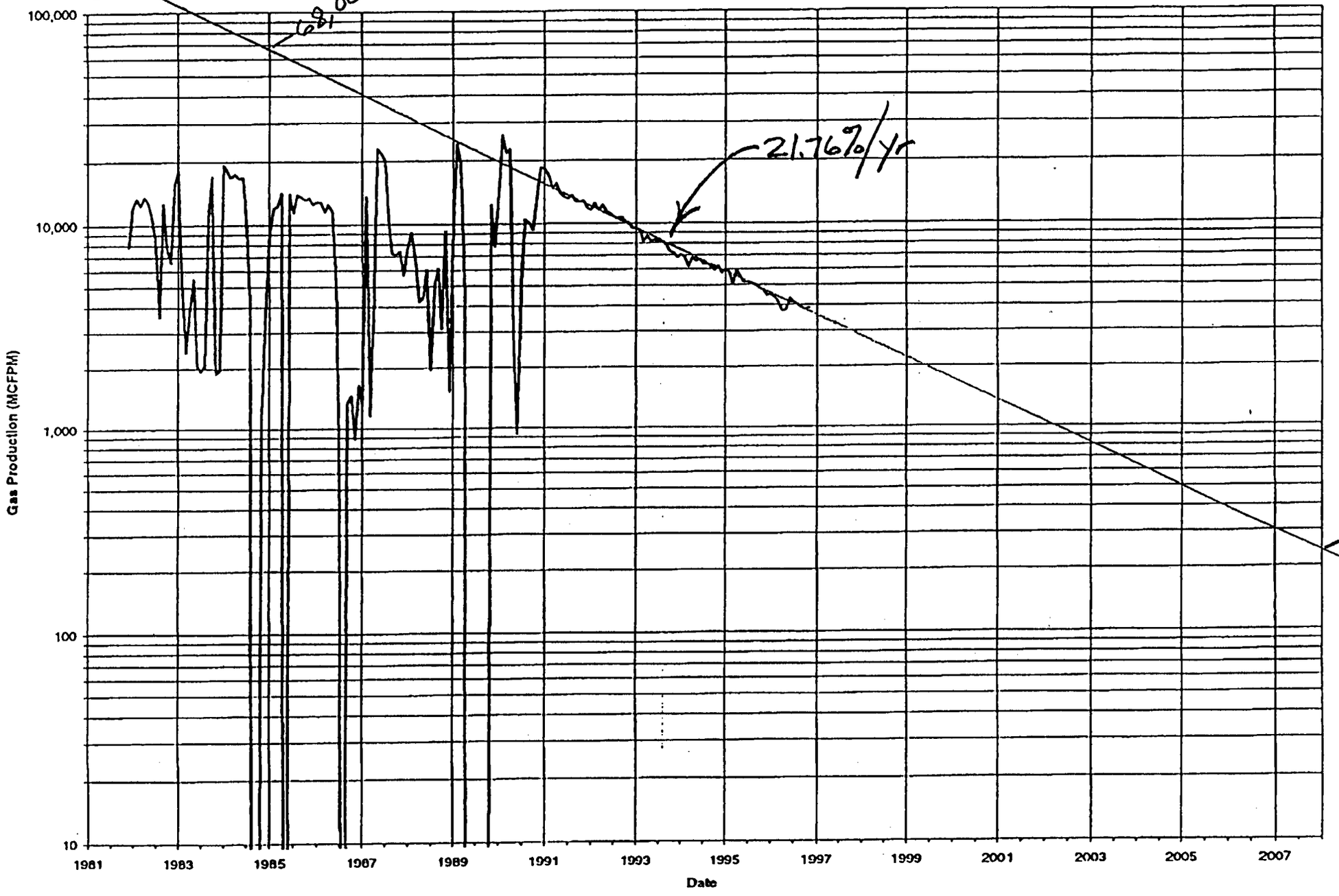
10-29-81: F/1497 MCFPD (Est.)
Choke = 44/64
FCP = 110 psig
Est. C = 181

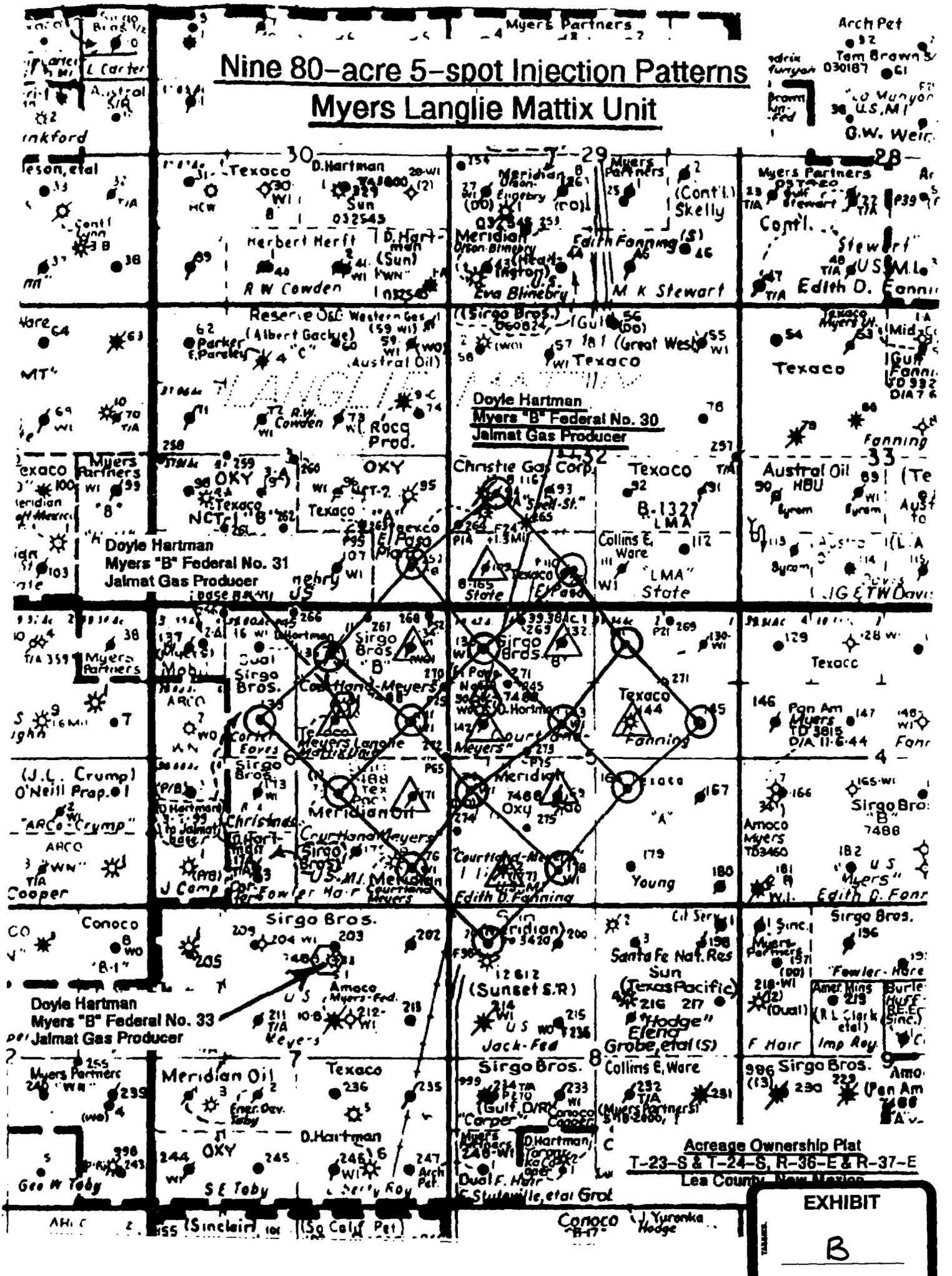
1/96: AMR = 4500 MCFPM
Cum. = 1500 MMCF
Est. Rem. = 159 MMCF
Est. Ult. = 1659 MMCF
b = 0.279

L-17-24S-37E

LATE THOMAS #2
JALMAT (TANSILL YATES SEVEN RIVERS)YS
17L 24S 37E
BURLINGTON RES O&G CO

10/1996: 1.55261 BCF




Nine 80-acre 5-spot Injection Patterns
Myers Langlie Mattix Unit
Doyle Hartman
Myers "B" Federal No. 31
Jalmat Gas Producer
Doyle Hartman
Myers "B" Federal No. 30
Jalmat Gas Producer
Doyle Hartman
Myers "B" Federal No. 33
Jalmat Gas Producer
Acreage Ownership Plat
T-23-S & T-24-S, R-36-E & R-37-E
Lea County, New Mexico
EXHIBIT
B

Joe E King
District Manager

Texaco USA

PO Box 728
Hobbs NM 88240
505 393 7191

April 28, 1987

003371-03-MYERS LANGLIE MATTIX UNIT
LEA COUNTY, NEW MEXICO
WELL NO. 199
660' FNL & 1980' FEL
SEC. 8, T-24-S, R-37-E

TO WORKING INTEREST OWNERS:

Texaco Producing Inc. recommends the subject well be plugged, salvaged and abandoned. Well No. 199 was shut-in on April 8, 1986 due to uneconomical production. Prior to shut-in, the well tested 3 BOPD and 331 BWPD from the open hole interval 3390'-3650'.

Waterflows were evidenced during TRO operations in May, 1986. Casing repairs to alleviate the waterflows will not payout given the current production. The well is completed in all potential unitized intervals, and all zones have been adequately stimulated. Therefore, no potential for increased production exists. The price of oil would have to increase from $17.67 per barrel to $93.78 per barrel to break even. The well is not needed for salt water disposal. Continued secondary operations on Well No. 199 are not economical for the above reasons.

The estimated cost to plug and abandon the subject well is $14,000 with $0 worth of salvable equipment, for a net plug and abandonment cost of $14,000. Sun Oil Company has the option to purchase the well at salvage value.

EXHIBIT
C

MAY 4 1987

Indicate your approval to plug and abandon this well by signing and returning the extra copy of this letter, Attention: Laura Skinner, Texaco Producing Inc., P. O. Box 728, Hobbs, New Mexico 88240. The option to take over and own this well is forfeited by consenting to this proposal.

Yours very truly,

Joe E. King
District Manager

DBW:JRB

APPROVED PLUGGING AND ABANDONMENT
(MYERS LANGLIE MATTIX UNIT WELL NO. 199)

BY: _____
(Type Name)

DATE: _____

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SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

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

Form C-1
Revised

5a. Indicate Type of Lease
State ☐ Fe

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT —" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL ☒ GAS WELL ☐ OTHER-

7. Unit Agreement Name

2. Name of Operator
Texaco Producing Inc.

8. Farm or Lease Name
Myers Langlie Mattix Unit

3. Address of Operator
P. O. Box 728, Hobbs, New Mexico 88240

9. Well No.
199

4. Location of Well
UNIT LETTER B, 660 FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE, SECTION 8 TOWNSHIP 24-S RANGE 37-E NMPM.

10. Field and Pool, or Wildcat
Langlie Mattix

15. Elevation (Show whether DF, RT, GR, etc.)
3297' DF

12. County
Lea

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING
TEMPORARILY ABANDON ☐		COMMENCE DRILLING OPNS. ☐	PLUG AND ABANDONMENT
PULL OR ALTER CASING ☐	CHANGE PLANS ☐	CASING TEST AND CEMENT JOB ☐	
		OTHER	
STATUS Shut-In ☒			

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

REMARKS

1. WELL STATUS - Shut-In.
2. TEMPORARY ABANDONMENT DATE - 4-8-86
3. REASON FOR ABANDONMENT - Uneconomical to produce.
4. FUTURE PLANS - Hold for possible remedial work.
5. DATE OF FUTURE WORKOVER OR PLUGGING - 2nd Quarter 1986

TEMPORARY ABANDON Exp 4-8-87

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

SIGNED L. J. Seeman TITLE Dist. Petr. Engr. DATE 5-13-86

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR TITLE _____ DATE MAY 15 198

CONDITIONS OF APPROVAL, IF ANY:

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:

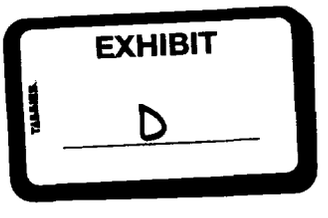
CASE NO. 6987
CASE NO. 11792

AMENDED APPLICATION OF DOYLE HARTMAN TO GIVE FULL FORCE AND EFFECT TO COMMISSION ORDER R-6447, TO REVOKE OR MODIFY ORDER 4-4680-A, TO 2 ALTERNATIVELY TERMINATE THE MYERS LANGLIE-MATTIX UNIT, LEA COUNTY, NEW MEXICO

SUBPOENA DUCES TECUM

TO: Oxy USA Inc.
c/o W. Thomas Kellahin
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Pursuant to Section 70-2-8, NMSA (1978) and Rule 1211 of the New Mexico Oil Conservation Division's Rules of Procedure, you are hereby ORDERED to appear at 9:00 a.m., June 23, 1997, at the offices of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505 and to produce the documents and items specified in attached Exhibit A and to make available to Doyle Hartman, Oil Operator and their attorneys, J.E. Gallegos and Michael J. Condon, for copying, all of said documents.



This subpoena is issued on application of Doyle Hartman through their attorneys, Gallegos Law Firm, 460 St. Michael's Drive, Building 300, Santa Fe, New Mexico 87505.

Dated this ____ day of June, 1997.

NEW MEXICO OIL CONSERVATION DIVISION

By:_____
WILLIAM J. LEMAY, DIRECTOR

EXHIBIT A

TO SUBPOENA DUCES TECUM TO OXY USA, INC.

DEFINITIONS

As used in this Exhibit A, certain terms are defined as follows:

A. "Oxy" means Oxy USA Inc. and includes any and all predecessors, successors, and their present or former officers, directors, agents, employees and all other persons or entities acting or purporting to act on behalf of any of them.

B. "Document(s)" has the same meaning as in SCRA 1986, 1-034 including, inter alia, (1) all written, printed, typed, recorded or graphic matter, (2) all firm, videographic and photographic matter, (3) all tapes or other reproductions of sound or auditory material, (4) computer files, disks, databases, tapes, inputs or outputs, however stored, generated, produced or reproduced, (5) any other matter or medium from which or on which information or images may be or is transcribed, stored, and/or retrieved; and (6) all non-identical copies of a "document." "Document(s)" also includes, inter alia, any code, software, index, key or other information or material necessary or helpful to retrieve, interpret, and/or understand such documents or the information, images, and/or representatives contained therein. "Document(s)" further includes, inter alia, all such materials whether or not such materials were intended or planned for distribution or dissemination to persons outside of the organization generated, creating or storing the materials. "Non-identical copies" means, inter alia, all reproductions or other versions of a "document," however made, of the original "document," and which have notations, markings, interlineations, comments, images, or other material not appearing on the original.

C. "Communication" means any contact or transfer of information between two or more persons or organizations and shall include, inter alia, (1) written contact by such means as letter, memorandum, telegram, telecopier, or by any other document, (2) oral contact by such means as face-to-face meetings, voice mail, or telephone conversations, (3) electronic contact by such means as electronic mail, E-mail, modem or computer, or (4) any form of actual or attempted transmittal or transfer of information or images.

D. "Concerning" includes, inter alia, referring to, alluding to, responding to, relating to, connected with, commenting on, in reference of, about, regarding, discussing, noting, showing, describing, mentioning, reflecting, analyzing, constituting, evidencing, or pertaining to.

E. "MLMU" means the Myers Langlie-Mattix Unit, a secondary recovery waterflood project in Lea County, New Mexico.

F. "NMOCD" means the New Mexico Oil Conservation Division.

G. "1994 Application" means the Application you filed with the NMOCD on or about November 22, 1994, assigned Case No. 11168 and resulting in the entry of NMOCD Order R-4680-A, and all subsequent proceedings related thereto.

DOCUMENTS TO BE PRODUCED

1. All the operator files and documents concerning New Mexico Oil Conservation Commission Case No. 6987 and Order R-6447, including but not limited to, all preparation for that proceeding and all documents related to communications, internal memoranda or other documents related to that order and its provisions.

2. All files and documents concerning or relating in any way to reserve calculations, or economic evaluations, studies, engineering analyses, budgets, schedules of future production, revenues, anticipated cash flows, and projected pricing for unitized substances from or related to the MLMU.

3. Any and all documents, data, results, notes, and conclusions related to those certain step-rate tests performed in 1991 or 1992 by Texaco Exploration and Production Inc. ("Texaco") at the request of Sirgo Operating Inc., (or any related entity), to determine if Texaco's injection practices had fractured any MLMU injection wells.

4. Any and all exhibits referenced in, enclosed with, attached to, or made a part of that certain "chronology of events between Texaco and Sirgo" dated June 16, 1992 and provided to MLMU working interest owners, including but not limited to any and all other information referenced or discussed in or related to the subject chronology.

5. Any documents which relate in any way to improved oil recovery efficiency or reduced production rate decline achieved as a result of the operation of the MLMU, including analyses, evaluations and results from the Oxy Redevelopment Project which was referenced in your 1994 Application, from January 1, 1994 to the present.

6. The well files, test results and all other documents concerning MLMU injector and producer wells in the section where the Myers "B" Federal No. 30 well is located (Section 5, T-24-S, R-37-E) and in every adjoining section (Sections 31, 32, and 33 of T-23-S, R-37-E and Sections 4, 6, 7, 8, and 9, T-24-S, R-37-E).

7. Any documents which relate in any way to any comparison or study of the amounts of water injected and the amount of water and oil/gas recovered as a result of the twenty-two years of secondary or the Enhanced Oil Recovery ("EOR") operations in the MLMU, including, without limitation, any evidence of migration outside the waterflood unit boundaries and/or outside of the authorized MLMU injection interval and studies, analyses, and/or reports that have compared the projected or computed volumes of water necessary to effectively waterflood the MLMU to the volumes that have actually been utilized.

8. Any and all studies, reports, and/or analyses that have been performed and which in whole or part compute or estimate those volumes of MLMU injection water that are unaccounted for, may have migrated outside of the MLMU unit boundaries and/or outside of the authorized injection interval, including any estimation of unit costs and/or expenses that have resulted due to any water losses.

9. All records and reports called for under Rule 706 of the NMOCC and/or NMOCD Rules and Regulations, or any comparable predecessor rule, related to your operation of the MLMU.

10. Any and all documents and studies which relate to chemical scaling problems, bacterial plugging problems, and/or any other mechanical or plugging problems which affect or have affected the efficient injection or withdrawal of fluids from the approved MLMU injection interval and any and all steps that have been taken by MLMU operators to properly enhance injection rates and fluid withdrawals, including all management decisions and economic evaluations pertaining to such activities.

11. All documents which reference or relate in any way to any waterflows, subsurface crossflow to other than the injection interval, or crossflows encountered in wells within a one (1) mile radius of the MLMU, including any waterflows or out-of-zone water invasion of non-unitized strata reported or experienced in wells within the physical limits of the MLMU unit.

12. All documents relating to casing leak repairs, water channeling repairs or to water injection operations at pressures above authorized or recognized and measured frac-pressure limits for all injection and producing wells in the MLMU.

13. All documents, including well files and administrative files pertaining to the seventeen injector wells referenced in your 1994 Application.

14. Any and all documents which identify any working interest or royalty interest within the MLMU who is entitled to go or has gone non-consent and become carried interests with respect to unit operations as specified by New Mexico Oil Conservation Commission Order R-6447, including but not limited to any documents which reflect Oxy's recognition or denial of the right of any working interest or royalty interest owner in the MLMU to go non-consent and become a carried interest with respect to unit operations.

15. Any and all documents concerning the Central Corbin Queen Unit as established by Order No. R-9336 in Case NO. 10062, and specifically any and all documents which identify any working interest or royalty interest owner within the Central Corbin Queen Unit who is entitled to go or has gone non-consent and become a carried interest with respect to unit operations since October, 1990, including but not limited to any documents which reflect Oxy's recognition or denial of the right of any

working interest or royalty interest owner in the Central Corbin Queen Unit to go non-consent and become a carried interest with respect to unit operations.

16. All water samples collected and results of water analyses performed with respect to injection and producer waters from the MLMU.

17. All documents reviewed, relied upon or generated by Cawley, Gillespie & Associates which relate to the MLMU and any evaluation of the MLMU by Cawley, Gillespie.