

CASE 7340: DOYLE HARTMAN FOR DIRECTIONAL
DRILLING AND UNORTHODOX LOCATION, LEA
COUNTY, NEW MEXICO

Case No.

7340

Application

Transcripts.

Small Exhibits

ETC

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

26 August 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Doyle Hartman for
directional drilling and Unortho-
dox location, Lea County, New
Mexico.

CASE
7340

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P.A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

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LARRY A. NERMER

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MR. STAMETS: Call next Case 7340.

MR. PEARCE: Application of Doyle Hartman
for directional drilling and unorthodox location, Lea County,
New Mexico.

MR. CARR: May it please the Examiner,
my name is William F. Carr, with the law firm Campbell, Byrd,
and Black, P. A., Santa Fe, New Mexico, appearing on behalf
of the applicant.

I have two witnesses and would like the
record to reflect that both witnesses have previously been
sworn.

MR. STAMETS: The record will so show.

MR. CARR: Initially, Mr. Stamets, I
would like to request that this application be amended in
two respects.

First of all the name of this well should
be changed from the City of Jal No. 1 to the Bates No. 3 Well.

MR. STAMETS: Okay.

MR. CARR: We also are going to ask that
the bottom hole location be changed so that at a depth of
3500 feet it is going to be 2310 feet from the south line.

MR. STAMETS: 2310 south.

MR. CARR: And 1650 from the west line.

This will necessitate readvertising this case.

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2 MR. STAMETS: Okay, so we will -- we will
3 be filing an application for the readvertising.

4 MR. CARR: Yes, we will file an amended
5 application and it will have to be readvertised at that time.

6 MR. STAMETS: Both of those items will
7 be shown in the amended application.

8 MR. CARR: That's correct.

9 MR. STAMETS: Okay.

10 MR. CARR: But we would like to go ahead
11 and make our presentation today.

12 My first witness is William P. Aycock,
13 and I would request that the record reflect that he has pre-
14 viously been qualified today to testify, as a petroleum en-
15 gineer.

16 MR. STAMETS: The record will so show.

17
18 WILLIAM P. AYCOCK
19 being called as a witness and having been previously sworn
20 upon his oath, testified as follows, to-wit:

21
22 DIRECT EXAMINATION

23 BY MR. CARR:

24 Q Mr. Aycock, are you familiar with the
25 application filed on behalf of Doyle Hartman in this case?

1

2

A. Yes, I am.

3

Q. Are you familiar with the subject well?

4

A. Yes, I am.

5

Q. Subject lands?

6

A. Yes.

7

Q. Will you briefly state what Mr. Hartman

8

seeks with this application and also I would ask at this time

9

that you explain the reason for amendment of the application.

10

A. Mr. Hartman is seeking permission for

11

directional drilling and an unorthodox location for his Bates

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No. 3 Well, as indicated in the amendment to the docketing of

13

the hearing, that has previously been referred to by Mr. Carr.

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And the reason that the amendment has been requested is that

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an unexpected problem with ownership of the varying rights

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cropped up after the hearing had been docketed that fixed it

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so that he could not drill the well at the original location

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in the south half of the southwest quarter of Section 20, but

19

he was forced to drill the well in the north half of the

20

southwest quarter of Section 20.

21

Q. And we're talking here about the bottom

22

hole location?

23

A. That's correct. The surface location,

24

we have another witness who will go into the intricacies of

25

that, but the surface location, as the Examiner can well ap-

1
2 appreciate, being located within the city limits of the City of
3 Jal and surrounded by habitations and buildings of all kinds,
4 had to be selected on the basis of space available and safety,
5 and in accordance with the city requirements of the City of
6 Jal. So it was subject to considerations other than where a
7 well could be drilled in the normal fashion. Without directional
8 drilling you would not be able to properly develop this tract
9 at all.

10 Q Will you now refer to what has been
11 marked for identification as Hartman Exhibit Number One, your
12 structure map, and explain to Mr. Stamets what this shows?

13 A Exhibit Number One is a Yates structure
14 map, which shows the indicated 160-acre proration unit com-
15 prising the southwest quarter of Section 20, the existing
16 well that is on that proration unit, and the proposed surface
17 and subsurface locations, these are at the locations that are
18 specified in the amendments requested, so they are correct
19 and they are in agreement with the amendment for the appli-
20 cation that's been requested by Mr. Carr, and they show you
21 that the true location at a depth of 2500 feet and the true
22 bottom hole location at a depth of 3500 feet.

23 Mr. Nermyr will present testimony showing
24 how he intends to deviate the hole and control it to these
25 depths. But this basically is -- shows the geology, shows

1
2 the traces of the cross sections which will be presented as
3 subsequent exhibits, and shows both the surface and the sub-
4 surface locations of the proposed well.

5 Q Mr. Aycock, when did Mr. Hartman acquire
6 his interest in the -- under the proposed proration unit?

7 A By farmout from Bettis, Ball, and Stovall
8 of Graham, Texas, who were the operators of the existing well,
9 the operations of which will now be assumed by Mr. Hartman.

10 Q Does Exhibit One show the ownership of
11 the offsetting tracts?

12 A Yes, it does.

13 Q And the bottom hole location is to the
14 northern boundary of the spacing unit, is that correct?

15 A That's correct.

16 Q And who owns the acreage to the north
17 of the spacing unit?

18 A This -- these same people, the farmees,
19 Bettis, Ball, and Stovall of Graham, Texas, are the owners
20 of the offsetting acreage to the north, so there would be no
21 conflict from that standpoint.

22 Q The spacing unit is a standard spacing
23 unit for Jalmat gas.

24 A That's correct.

25 Q Will you now refer to what has been marked

1
2 for identification as Hartman Exhibit Number Two and review
3 this?

4 A. Hartman Exhibit Number Two is a north/south
5 cross section A-A', the trace of which is included on Exhibit
6 Number One, in which we have attempted to show the Commission
7 all of the pertinent information with regard to the completion
8 zones and present completion information for all of the wells
9 that are of interest in this application.

10 Q And the wells on this cross section
11 would show the proposed producing interval in the Jalmat?

12 A. That's correct.

13 You'll notice it's shown on there the
14 Langlie Mattix boundary, which is also the boundary of the --
15 of the Jalmat, Seven Rivers, and the Yates formations.

16 Q Mr. Aycock, will you now refer to Exhibit
17 B-B' and review this? And that is your Exhibit Number Three.

18 A. Yes. Exhibit Number Three is cross sec-
19 tion B-B', which is a west/east cross section, the trace of
20 which is also indicated on our Exhibit Number One, which has
21 been previously presented. The same type of information is
22 indicated here, showing all of the wells, the log information,
23 the pertinent completion information, the completion dates,
24 and all other pertinent data.

25 Q What is the status of the well at the

1
2 present time, the subject well, is it drilling?

3 A The subject well is not yet drilling but
4 the rig, the same rig that will be available to drill the Late
5 Thomas No. 2 and 3, which were the subject of the previous
6 application, the applicant would like to use to drill this
7 location so he is thereby requesting that the Commission expedite both orders.
8

9 Q Mr. Aycock, how do you propose to drill
10 this? Will you drill to a certain depth and then put a whip-
11 stock and drill to the bottom hole location?

12 A Yes, Mr. Nermyr will go into those details
13 as part of his testimony.

14 Q Will you now refer to what has been marked
15 for identification as Hartman Exhibit Number Four and explain
16 this to Mr. Stamets.

17 A Exhibit Number Four is a topography map
18 of a portion of Lea County, New Mexico, including the City of
19 Jal, also showing the surface structures that are located
20 within the city, and I think it makes it plain why the surface
21 location, there is a limited latitude for places that the
22 surface location can be located. I'm sure that although Mr.
23 Stamets was not the examiner, he remembers that last year we
24 had a similar application for a well within the boundaries
25 of the City of Jal, and as far as we know, Mr. Hartman's

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2 drilling and operations of that well, although best by some
3 unexpected difficulties during the drilling, have been satis-
4 factory with both the Oil Conservation Division as well as the
5 authorities in the City of Jal, so he's not coming forward
6 with this application as someone who has not had previous
7 experience in this regard.

8 You'll also notice that the surface, pro-
9 posed surface location is east of the highway and the railroad
10 while the subsurface location is west of the highway and the
11 railroad. Part of this is to -- for purposes of operational
12 convenience and part of it is for purposes of safety and the
13 use of the -- and to have access to salt water disposal faci-
14 lities without having to tunnel underneath the railroad and
15 the highway with a disposal line to get back on the east side --
16 no, pardon me, on the west side of the highway where the
17 proposed disposal well is located.

18 The aspects as to the controls and the
19 proposals in the way that the well will be deviated will be
20 testified to by Mr. Nermyr, who will be in technical control
21 of the well during the time that it is being drilled and
22 completed.

23 Q Mr. Aycock, would it be acceptable to
24 Mr. Hartman for the order which results from this hearing to
25 provide that the well shall be completed within a 100-foot

target area surrounding the proposed bottom hole location?

A. Yes, it would.

Q. In your opinion would the granting of this application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A. I believe that it would. As a matter of further interest, Mr. Hartman has already settled the surface location, paid the damages to the City of Jal, and has approval from the City authorities on the location that's proposed here in this application.

Q. Were Exhibits One through Four prepared by you or under your direction?

A. Yes, they were.

MR. CARR: At this time, Mr. Stamets, we would offer Hartman Exhibits One through Four.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further of Mr. Aycock on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Aycock, is the salt water disposal problem the main reason for the directional drilling?

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2 A. The main reason for the directional
3 drilling is to try to adequately develop the acreage and to
4 stay off the same 40-acre tract on which the existing well
5 is located, but because of the fact that we don't want to go
6 underneath the highway with flow lines or any other production
7 facility, if we can keep from it, that's an accessory part of
8 it as well.

9 MR. STAMETS: Any other questions of this
10 witness? He may be excused.

11 MR. CARR: At this time I would call
12 Larry Nermyr, N-E-R-M-Y-R.

13
14 LARRY A. NERMYR
15 being called as a witness and being previously sworn upon his
16 oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q. Will you state your full name and place
21 of residence?

22 A. Larry A. Nermyr, Midland, Texas.

23 Q. By whom are you employed?

24 A. I'm a petroleum engineer employed by
25 Doyle Hartman.

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Q Have you previously testified before
this Commission?

A I have not.

Q Would you briefly summarize for Mr.
Stamets your educational background and your work experience?

A I have a degree in mechanical engineering
from North Dakota State University in 1966. I worked for
Sinclair Oil Company, Atlantic Richfield, for seven years.
I worked for Tesoro Petroleum Company for six years, and I've
worked for Doyle Hartman for one and a half years.

Q And in all these capacities you've been
employed as a petroleum engineer?

A Yes.

Q Are you familiar with the application
that was filed by Mr. Hartman in this case?

A Yes.

Q Are you familiar with the subject matter
in the proposed directional drilling?

A Yes.

MR. CARR: Are the witness' qualifica-
tions acceptable?

MR. STAMETS: Yes. I missed the school,
Mr. Nermyr.

A North Dakota State University.

MR. STAMETS: Okay, thank you.

Q Mr. Nermyr, initially I'd like to direct your attention to Hartman Exhibit Number Four, which was previously offered by Mr. Aycock, and I'd like to ask you if you were responsible for negotiating the surface location?

A Yes, I was. I met with the -- Carl Martin, who's in charge of this land. It belongs to the Jal School District, and we made a lease on the ten city lots in Plot 30 to locate a rig on and drill this well.

Q From whom did you acquire the right for the surface location? What part of the City of Jal?

A It's the Jal School District that owns the surface rights.

Q And have you also taken this matter to the Jal City Council?

A Yes, I've talked to the Mayor of Jal and informed him we were trying to drill a well there and asked him if it would be satisfactory with him and the City Council. He met with the City Council and proposed it to them and let me know back that it was all right with them.

Q And this is the second well that Mr. Hartman operates within the city limits of Jal, is that correct?

A Yes.

1
2 Q Will you now refer to what has been marked
3 for identification as Hartman Exhibit Number Five and explain
4 to Mr. Stamets what this is and what it shows?

5 A Okay, it's a schematic showing the dis-
6 placement versus true vertical depth of the well we plan to
7 drill. As it shows here, we plan to drill a straight hole
8 to 800 feet. At that time we will run a Dynadrill and build
9 angle at 2-1/2 degrees per 100 feet until we've built a
10 maximum angle of 19 degrees and then we will maintain that
11 angle of 19 degrees until we reach the bottom hole location.

12 Q Is Mr. Hartman prepared to run any
13 directional survey that's required by Oil Conservation Division
14 rules and regulations?

15 A Yes. We are prepared to run a survey
16 as required by the regulations when the hole is completed.

17 Q Do you have anything further to add to
18 your testimony?

19 A I believe not.

20 Q Was Exhibit Number Five prepared by you?

21 A Yes.

22 MR. CARR: At this time, Mr. Stamets,
23 we would offer into evidence Hartman Exhibit Number Five.

24 MR. STAMETS: Exhibit Number Five will
25 be admitted.

1
2 MR. CARR: And I have nothing further
3 of Mr. Nermyr on direct.
4

5 CROSS EXAMINATION

6 BY MR. STAMETS:

7 Q Mr. Nermyr, have you supervised the
8 drilling of directional wells before?

9 A Yes, I have.

10 Q This is not a new process?

11 A No.

12 Q Did those turn out successfully?

13 A Yes, they did.

14 MR. STAMETS: Any other questions of
15 this witness? He may be excused.

16 MR. CARR: I have nothing further in
17 this case.

18 MR. STAMETS: If there is nothing further,
19 the case will be taken under advisement.

20
21 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____ heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 14, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7340
ORDER NO. R-6795

Applicant:

Doyle Hartman

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDK/Id

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7340
Order No. R-6795

APPLICATION OF DOYLE HARTMAN FOR
DIRECTIONAL DRILLING AND AN
UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 26, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of October, 1981, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

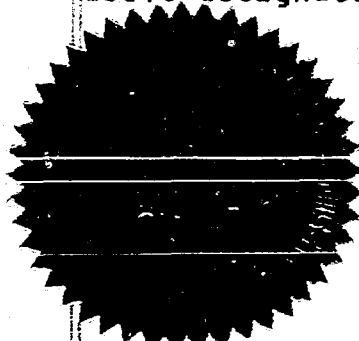
FINDS:

That Case No. 7340 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 7340 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



SEAL
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

- CASE 7335: Application of C & E Operators, Inc. for amendment to Division Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5459 by amending the location of the Northwest-Southeast trending line as described in Exhibit A of said Order No. R-5459 pertaining to Township 30 North, Range 11 West, as follows: Section 6: West and South; Section 8: West and South; Sections 9, 10, and 11: South; and Section 13: West and South.
- CASE 7336: Application of C & E Operators, Inc. for three triple completions, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to triply complete the following wells in Township 30 North, Range 11 West, to produce gas from the Farmer-Fruitland Pool, the Aztec-Pictured Cliffs Pool, and the Blanco Mesaverde Pool through separate strings of tubing: Aztec Wells Nos. 8 in Unit II of Section 8 and 9 in Unit II of Section 9; and Lee Well No. 8 in Unit C of Section 8.
- CASE 7337: Application of Beartooth Oil & Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Ojito Gallup-Dakota and Blanco Mesaverde production in the wellbore of its Minel Federal Well No. 1 located in Unit E of Section 7, Township 25 North, Range 3 West. Applicant further seeks the establishment of an administrative procedure for approval of downhole commingling of Gallup-Dakota and Mesaverde production in the W/2 of Sections 6 and 7, Township 25 North, Range 3 West.
- CASE 7338: Application of Beartooth Oil & Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Farmington production in the wellbore of its Elledge Federal 34 Well No. 11 located in Unit D of Section 34, Township 29 North, Range 11 West.
- CASE 7339: Application of Doyle Hartman for compulsory pooling, unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Pool underlying the S/2 of Section 17, Township 24 South, Range 37 East, to be simultaneously dedicated to his Late Thomas Well No. 1 located in Unit M of said Section 17, and to two proposed wells, one to be drilled at an orthodox location in Unit J and the other at an unorthodox location 2310 feet from the South line and 330 feet from the West line, both in said Section 17. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.
- CASE 7340: Application of Boyle Hartman for directional drilling and unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill his City of Jal Well No. 1, the surface location of which is 1635 feet from the South line and 1210 feet from the West line of Section 20, Township 25 South, Range 37 East, Jalmat Pool, to top the Jalmat at a bottom hole location 660 feet from the South and West Lines at a vertical depth of 2800 feet and to bottom said well at an unorthodox location 330 feet from the South and West lines at a vertical depth of 3500 feet.
- CASE 7317: (Continued from July 29, 1981, Examiner Hearing)
Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying townships 30 and 31 North, Ranges 2 thru 7 West, containing 270,260 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7129: (Continued from August 12, 1981, Examiner Hearing)
Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 28, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7169: (Continued from August 12, 1981, Examiner Hearing)
Application of Koch Exploration Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 22, Township 28 North, Range 8 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
26 August 1981

EXAMINER HEARING

IN THE MATTER OF:

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BEFORE: Ribhard L. Stamets

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I N D E X

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MR. STAMETS: Call next Case 7340.

MR. PEARCE: Application of Doyle Hartman for directional drilling and unorthodox location, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm Campbell, Byrd, and Black, P. A., Santa Fe, New Mexico, appearing on behalf of the applicant.

I have two witnesses and would like the record to reflect that both witnesses have previously been sworn.

MR. STAMETS: The record will so show.

MR. CARR: Initially, Mr. Stamets, I would like to request that this application be amended in two respects.

First of all the name of this well should be changed from the City of Jal No. 1 to the Bates No. 3 Well.

MR. STAMETS: Okay.

MR. CARR: We also are going to ask that the bottom hole location be changed so that at a depth of 3500 feet it is going to be 2310 feet from the south line.

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3 be filing an application for the readvertising.

4 MR. CARR: Yes, we will file an amended
5 application and it will have to be readvertised at that time.

6 MR. STAMETS: Both of those items will
7 be shown in the amended application.

8 MR. CARR: That's correct.

9 MR. STAMETS: Okay.

10 MR. CARR: But we would like to go ahead
11 and make our presentation today.

12 My first witness is William P. Aycock,
13 and I would request that the record reflect that he has pre-
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16 MR. STAMETS: The record will so show.

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22 DIRECT EXAMINATION

23 BY MR. CARR:

24 Q Mr. Aycock, are you familiar with the
25 application filed on behalf of Doyle Hartman in this case?

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A. Yes, I am.

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Q. Are you familiar with the subject well?

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Q. Subject lands?

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A. Mr. Hartman is seeking permission for

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No. 3 Well, as indicated in the amendment to the docketing of

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an unexpected problem with ownership of the varying rights

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he was forced to drill the well in the north half of the

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Q. And we're talking here about the bottom

22

hole location?

23

A. That's correct. The surface location,

24

we have another witness who will go into the intricacies of

25

that, but the surface location, as the Examiner can well ap-

1
2 appreciate, being located within the city limits of the City of
3 Jal and surrounded by habitations and buildings of all kinds,
4 had to be selected on the basis of space available and safety,
5 and in accordance with the city requirements of the City of
6 Jal. So it was subject to considerations other than where a
7 well could be drilled in the normal fashion. Without directional
8 drilling you would not be able to properly develop this tract
9 at all.

10 Q Will you now refer to what has been
11 marked for identification as Hartman Exhibit Number One, your
12 structure map, and explain to Mr. Stamets what this shows?

13 A Exhibit Number One is a Yates structure
14 map, which shows the indicated 160-acre proration unit com-
15 prising the southwest quarter of Section 20, the existing
16 well that is on that proration unit, and the proposed surface
17 and subsurface locations, these are at the locations that are
18 specified in the amendments requested, so they are correct
19 and they are in agreement with the amendment for the appli-
20 cation that's been requested by Mr. Carr, and they show you
21 that the true location at a depth of 2500 feet and the true
22 bottom hole location at a depth of 3500 feet.

23 Mr. Nermyr will present testimony showing
24 how he intends to deviate the hole and control it to these
25 depths. But this basically is -- shows the geology, shows

1
2 the traces of the cross sections which will be presented as
3 subsequent exhibits, and shows both the surface and the sub-
4 surface locations of the proposed well.

5 Q Mr. Aycock, when did Mr. Hartman acquire
6 his interest in the -- under the proposed proration unit?

7 A By farmout from Bettis, Ball, and Stovall
8 of Graham, Texas, who were the operators of the existing well,
9 the operations of which will now be assumed by Mr. Hartman.

10 Q Does Exhibit One show the ownership of
11 the offsetting tracts?

12 A Yes, it does.

13 Q And the bottom hole location is to the
14 northern boundary of the spacing unit, is that correct?

15 A That's correct.

16 Q And who owns the acreage to the north
17 of the spacing unit?

18 A This -- these same people, the farmees,
19 Bettis, Ball, and Stovall of Graham, Texas, are the owners
20 of the offsetting acreage to the north, so there would be no
21 conflict from that standpoint.

22 Q The spacing unit is a standard spacing
23 unit for Jalmat gas.

24 A That's correct.

25 Q Will you now refer to what has been marked

1
2 for identification as Hartman Exhibit Number Two and review
3 this?

4 A. Hartman Exhibit Number Two is a north/south
5 cross section A-A', the trace of which is included on Exhibit
6 Number One, in which we have attempted to show the Commission
7 all of the pertinent information with regard to the completion
8 zones and present completion information for all of the wells
9 that are of interest in this application.

10 Q. And the wells on this cross section
11 would show the proposed producing interval in the Jalmat?

12 A. That's correct.

13 You'll notice it's shown on there the
14 Langlie Mattix boundary, which is also the boundary of the --
15 of the Jalmat, Seven Rivers, and the Yates formations.

16 Q. Mr. Aycock, will you now refer to Exhibit
17 B-B' and review this? And that is your Exhibit Number Three.

18 A. Yes. Exhibit Number Three is cross sec-
19 tion B-B', which is a west/east cross section, the trace of
20 which is also indicated on our Exhibit Number One, which has
21 been previously presented. The same type of information is
22 indicated here, showing all of the wells, the log information,
23 the pertinent completion information, the completion dates,
24 and all other pertinent data.

25 Q. What is the status of the well at the

1
2 present time, the subject well, is it drilling?

3 A. The subject well is not yet drilling but
4 the rig, the same rig that will be available to drill the Late
5 Thomas No. 2 and 3, which were the subject of the previous
6 application, the applicant would like to use to drill this
7 location so he is thereby requesting that the Commission expedite both orders.
8

9 Q. Mr. Aycock, how do you propose to drill
10 this? Will you drill to a certain depth and then put a whip-
11 stock and drill to the bottom hole location?

12 A. Yes, Mr. Nermyr will go into those details
13 as part of his testimony.

14 Q. Will you now refer to what has been marked
15 for identification as Hartman Exhibit Number Four and explain
16 this to Mr. Stamets.

17 A. Exhibit Number Four is a topography map
18 of a portion of Lea County, New Mexico, including the City of
19 Jal, also showing the surface structures that are located
20 within the city, and I think it makes it plain why the surface
21 location, there is a limited latitude for places that the
22 surface location can be located. I'm sure that although Mr.
23 Stamets was not the examiner, he remembers that last year we
24 had a similar application for a well within the boundaries
25 of the City of Jal, and as far as we know, Mr. Hartman's

1
2 drilling and operations of that well, although best by some
3 unexpected difficulties during the drilling, have been satis-
4 factory with both the Oil Conservation Division as well as the
5 authorities in the City of Jal, so he's not coming forward
6 with this application as someone who has not had previous
7 experience in this regard.

8 You'll also notice that the surface, pro-
9 posed surface location is east of the highway and the railroad
10 while the subsurface location is west of the highway and the
11 railroad. Part of this is to -- for purposes of operational
12 convenience and part of it is for purposes of safety and the
13 use of the -- and to have access to salt water disposal faci-
14 lities without having to tunnel underneath the railroad and
15 the highway with a disposal line to get back on the east side --
16 no, pardon me, on the west side of the highway where the
17 proposed disposal well is located.

18 The aspects as to the controls and the
19 proposals in the way that the well will be deviated will be
20 testified to by Mr. Nermyr, who will be in technical control
21 of the well during the time that it is being drilled and
22 completed.

23 Q Mr. Aycock, would it be acceptable to
24 Mr. Hartman for the order which results from this hearing to
25 provide that the well shall be completed within a 100-foot

1
2 target area surrounding the proposed bottom hole location?

3 A. Yes, it would.

4 Q. In your opinion would the granting of
5 this application be in the best interests of conservation, the
6 prevention of waste, and the protection of correlative rights?

7 A. I believe that it would. As a matter of
8 further interest, Mr. Hartman has already settled the surface
9 location, paid the damages to the City of Jal, and has approval
10 from the City authorities on the location that's proposed
11 here in this application.

12 Q. Were Exhibits One through Four prepared
13 by you or under your direction?

14 A. Yes, they were.

15 MR. CARR: At this time, Mr. Stamets,
16 we would offer Hartman Exhibits One through Four.

17 MR. STAMETS: These exhibits will be
18 admitted.

19 MR. CARR: I have nothing further of Mr.
20 Aycock on direct.

21
22 CROSS EXAMINATION

23 BY MR. STAMETS:

24 Q. Mr. Aycock, is the salt water disposal
25 problem the main reason for the directional drilling?

1
2 A. The main reason for the directional
3 drilling is to try to adequately develop the acreage and to
4 stay off the same 40-acre tract on which the existing well
5 is located, but because of the fact that we don't want to go
6 underneath the highway with flow lines or any other production
7 facility, if we can keep from it, that's an accessory part of
8 it as well.

9 MR. STAMETS: Any other questions of this
10 witness? He may be excused.

11 MR. CARR: At this time I would call
12 Larry Nermyr, N-E-R-M-Y-R.

13
14 LARRY A. NERMYR
15 being called as a witness and being previously sworn upon his
16 oath, testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q. Will you state your full name and place
21 of residence?

22 A. Larry A. Nermyr, Midland, Texas.

23 Q. By whom are you employed?

24 A. I'm a petroleum engineer employed by
25 Doyle Hartman.

1
2 Q Have you previously testified before
3 this Commission?

4 A I have not.

5 Q Would you briefly summarize for Mr.
6 Stamets your educational background and your work experience?

7 A I have a degree in mechanical engineering
8 from North Dakota State University in 1966. I worked for
9 Sinclair Oil Company, Atlantic Richfield, for seven years.
10 I worked for Tesoro Petroleum Company for six years, and I've
11 worked for D oyle Hartman for one and a half years.

12 Q And in all these capacities you've been
13 employed as a petroleum engineer?

14 A Yes.

15 Q Are you familiar with the application
16 that was filed by Mr. Hartman in this case?

17 A Yes.

18 Q Are you familiar with the subject matter
19 in the proposed directional drilling?

20 A Yes.

21 MR. CARR: Are the witness' qualifica-
22 tions acceptable?

23 MR. STAMETS: Yes. I missed the school,
24 Mr. Nermyr.

25 A North Dakota State University.

MR. STAMETS: Okay, thank you.

Q. Mr. Nermyr, initially I'd like to direct your attention to Hartman Exhibit Number Four, which was previously offered by Mr. Aycock, and I'd like to ask you if you were responsible for negotiating the surface location?

A. Yes, I was. I met with the -- Carl Martin, who's in charge of this land. It belongs to the Jal School District, and we made a lease on the ten city lots in Plot 30 to locate a rig on and drill this well.

Q. From whom did you acquire the right for the surface location? What part of the City of Jal?

A. It's the Jal School District that owns the surface rights.

Q. And have you also taken this matter to the Jal City Council?

A. Yes, I've talked to the Mayor of Jal and informed him we were trying to drill a well there and asked him if it would be satisfactory with him and the City Council. He met with the City Council and proposed it to them and let me know back that it was all right with them.

Q. And this is the second well that Mr. Hartman operates within the city limits of Jal, is that correct?

A. Yes.

1
2 Q Will you now refer to what has been marked
3 for identification as Hartman Exhibit Number Five and explain
4 to Mr. Stamets what this is and what it shows?

5 A Okay, it's a schematic showing the dis-
6 placement versus true vertical depth of the well we plan to
7 drill. As it shows here, we plan to drill a straight hole
8 to 800 feet. At that time we will run a Dynadrill and build
9 angle at 2-1/2 degrees per 100 feet until we've built a
10 maximum angle of 19 degrees and then we will maintain that
11 angle of 19 degrees until we reach the bottom hole location.

12 Q Is Mr. Hartman prepared to run any
13 directional survey that's required by Oil Conservation Division
14 rules and regulations?

15 A Yes. We are prepared to run a survey
16 as required by the regulations when the hole is completed.

17 Q Do you have anything further to add to
18 your testimony?

19 A I believe not.

20 Q Was Exhibit Number Five prepared by you?

21 A Yes.

22 MR. CARR: At this time, Mr. Stamets,
23 we would offer into evidence Hartman Exhibit Number Five.

24 MR. STAMETS: Exhibit Number Five will
25 be admitted.

1
2 MR. CARR: And I have nothing further
3 of Mr. Nermyr on direct.
4

5 CROSS EXAMINATION

6 BY MR. STAMETS:

7 Q Mr. Nermyr, have you supervised the
8 drilling of directional wells before?

9 A Yes, I have.

10 Q This is not a new process?

11 A No.

12 Q Did those turn out successfully?

13 A Yes, they did.

14 MR. STAMETS: Any other questions of
15 this witness? He may be excused.

16 MR. CARR: I have nothing further in
17 this case.

18 MR. STAMETS: If there is nothing further,
19 the case will be taken under advisement.
20

21 (Hearing concluded.)
22
23
24
25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7340, heard by me on 8-26 1981.

Richard R. Shum Examiner
Oil Conservation Division

DISPLACEMENT AND TRUE VERTICAL DEPTH
vs. MEASURED DEPTH

Bates No. 3
N/2 SW/4 Section 20, T-25-S, R-37-E
Lea County, New Mexico

Measured Depth	Section	Average Deviation	Displacement	Total Displacement	TVD
800	800	0	0	0	800
900	100	1 1/4	2.181	2.181	899.98
1000	100	3 3/4	6.540	8.721	999.76
1100	100	6 1/4	10.887	19.608	1099.17
1200	100	8 3/4	15.212	34.820	1198.00
1300	100	11 1/4	19.509	54.329	1296.08
1400	100	13 3/4	23.769	78.098	1393.22
1500	100	16 1/4	27.983	106.081	1489.22
1600	100	17 3/4	30.486	136.57	1584.46
1700	100	19	32.557	169.124	1679.01
2500	800	19	260.456	429.580	2435.43
2600	100	19	32.557	462.137	2547.98
3500	900	19	293.013	755.150	3398.95
3600	100	19	32.557	787.707	3493.50
3700	100	19	32.557	820.264	3588.05

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
HARTMAN EXHIBIT NO. 5
CASE NO. 7340
Submitted by NEERHUB
Hearing Date 8/26/81

TRUE VERTICAL DEPTH vs. DISPLACEMENT

Bates No. 3
N/2 SW/4 Section 20, T-25-S, R-37-E
Lea County, New Mexico

Surface Location:

1635 FSL & 1210 FWL (L),
Sec. 20, T-25-S, R-37-E

440'
675'
800'
NORTH 33.5° EAST

KICK OFF POINT

BUILD-UP ANGLE
2 1/2°/100'

MAXIMUM
ANGLE 19°

Bottomhole Location:

2310 FSL & 1650 FWL (K)
Sec. 20, T-25-S, R-37-E
MD= 3650 @
TVD= 3500
Total Displacement= 800'
Direction: N33.5°E

425'
800'

500'

1000'

1500'

2000'

2500'

3000'

3500'

SECTION INFORMATION

SECTION INFORMATION

DISPLACEMENT AND TRUE VERTICAL DEPTH
vs. MEASURED DEPTH

Bates No. 3
N/2 SW/4 Section 20, T-25-S, R-37-E
Lea County, New Mexico

Measured Depth	Section	Average Deviation	Displacement	Total Displacement	TVD
800	800	0	0	0	800
900	100	1 1/4	2.181	2.181	899.98
1000	100	3 3/4	6.540	8.721	999.76
1100	100	6 1/4	10.887	19.608	1099.17
1200	100	8 3/4	15.212	34.820	1198.00
1300	100	11 1/4	19.509	54.329	1296.08
1400	100	13 3/4	23.769	78.098	1393.22
1500	100	16 1/4	27.983	106.081	1489.22
1600	100	17 3/4	30.486	136.57	1584.46
1700	100	19	32.557	169.124	1679.01
2500	800	19	260.456	429.580	2435.43
2600	100	19	32.557	462.137	2547.98
3500	900	19	293.013	755.150	3398.95
3600	100	19	32.557	787.707	3493.50
3700	100	19	32.557	820.264	3588.05

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

HARTMAN EXHIBIT NO. 5

CASE NO. 7340

Submitted by NERMUR

Hearing Date 8/26/81

TRUE VERTICAL DEPTH vs. DISPLACEMENT

Bates No. 3
N/2 SW/4 Section 20, T-25-S, R-37-E
Lea County, New Mexico

Surface Location:

1635 FSL & 1210 FWL (L),
Sec. 20, T-25-S, R-37-E

440'
675'
800'
NORTH 33.5° EAST

KICK OFF POINT

BUILD-UP ANGLE
2 1/2°/100'

MAXIMUM
ANGLE 19°

Bottomhole Location:

2310 FSL & 1650 FWL (K)
Sec. 20, T-25-S, R-37-E
MD= 3650 @
TVD= 3500
Total Displacement= 800'
Direction: N33.5°E

800'

500'

1000'

1500'

2000'

2500'

3000'

3500'

250' GRADE
5 X 10 PER INCH

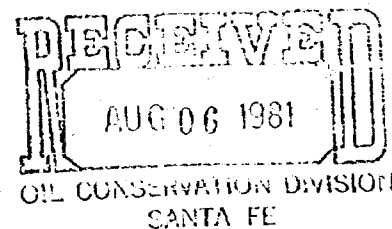
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August 5, 1981



Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7340

Re: Application of Doyle Hartman for Directional
Drilling, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Doyle Hartman
in the above-referenced matter.

The applicant requests that this matter be included on the
docket for the examiner hearing scheduled to be held on
August 26, 1981.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr".

William F. Carr

WFC:lr

Enclosures

cc: Mr. Doyle Hartman
Mr. James A. Davidson
Mr. William P. Aycock

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS
SANTA FE

IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN FOR DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

CASE 7340

APPLICATION

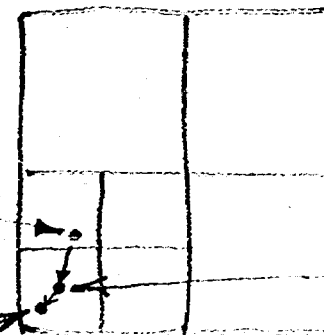
Comes now DOYLE HARTMAN, by and through its undersigned attorneys, and hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its City of Jal Well No. 1, Jalmat Pool, and in support thereof would show the Division:

1. Applicant is the operator of the Jalmat Pool underlying the SW/4 of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to directionally drill its City of Jal Well No. 1 from a surface location of 1635 feet from the South line and 1210 feet from the West line to a bottom hole location of 660 feet from the South and West lines at a depth of 2800 feet and 330 feet from the South and West lines at a depth of 3500 feet in the Jalmat Pool of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
3. Applicant proposes to dedicate to the City of Jal Well No. 1 a standard proration unit comprised of the SW/4 of said Section 20.

Surface Loc

1635 FSL
1210 FWL

Bottom hole location
330 FSL 330 FWL



Top of Jalmat
660 FSL
660 FWL

4. The subject well lies in close proximity to a number of buildings within the City of Jal, New Mexico and must be directionally drilled to enable the applicant to produce the reserves which underlie the above-referenced proration unit.

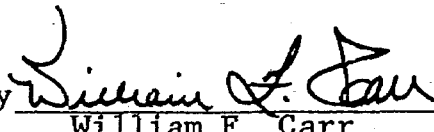
5. Attached hereto and incorporated herein is a copy of the Application for Permit to Drill the subject well, OCD Form C-102 showing the proposed surface and bottom hole locations for the subject well, a plat showing the general topography of the proposed proration unit and a preliminary proposal showing the proposed deviation of the hole for the subject well.

6. That approval of this application will enable the applicant to produce hydrocarbons that otherwise would not be produced and otherwise will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 26, 1981, that notice be given as required by law and the rules of the Division, and that after hearing, the Division enter its order granting the applicant permission to directionally drill its City of Jal Well No. 1 and granting such other and further relief as is appropriate.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-121
Revised 1-1-65

5A. Indicate Type of Lease
STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name City of Jal	
2. Name of Operator Doyle Hartman Oil Operator		9. Well No. 1	
3. Address of Operator 500 North Main, Midland, Texas 79701		10. Field and Pool, or Wildcat Jalmat	
4. Location of Well UNIT LETTER M LOCATED 1210 FEET FROM THE West LINE AND 1635 FEET FROM THE South LINE OF SEC. 20 TWP. 25-S RGE. 37-E		12. County Lea	
19. Proposed Depth 3500 TVD		19A. Formation Yates	
21. Elevations (Show whether DF, RT, etc.) 3040.2 GL		20. Rotary or C.T. Rotary	
21A. Kind & Status Plug. Bond Multi-well Approved		22. Approx. Date Work will start August, 1981	

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	10 3/4	40.50	900 TVD	600	Surface
7 7/8	5 1/2	17.00	3500 TVD	1200	Surface

We propose to drill a Jalmat well with the bottom hole location 660' FSL and 660 FWL of section 20, T-25-S, R-37-E. The surface at this location is occupied by houses. We propose to locate the rig on a vacant lot 1210 FWL and 1635' FSL of section 20, T-25-S, R-37-E and deviate the hole to a bottom hole location 660 FSL and 660 FWL of Section 20, T-25-S, R-37-E at a true vertical depth of 2800' GL. A directional survey will be run when total depth is reached.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000-psi double ram BOP system.

Any gas produced from the proposed well has previously been dedicated to El Paso Natural Gas Company.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Larry A. Nemy Title Engineer Date July 31, 1981
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

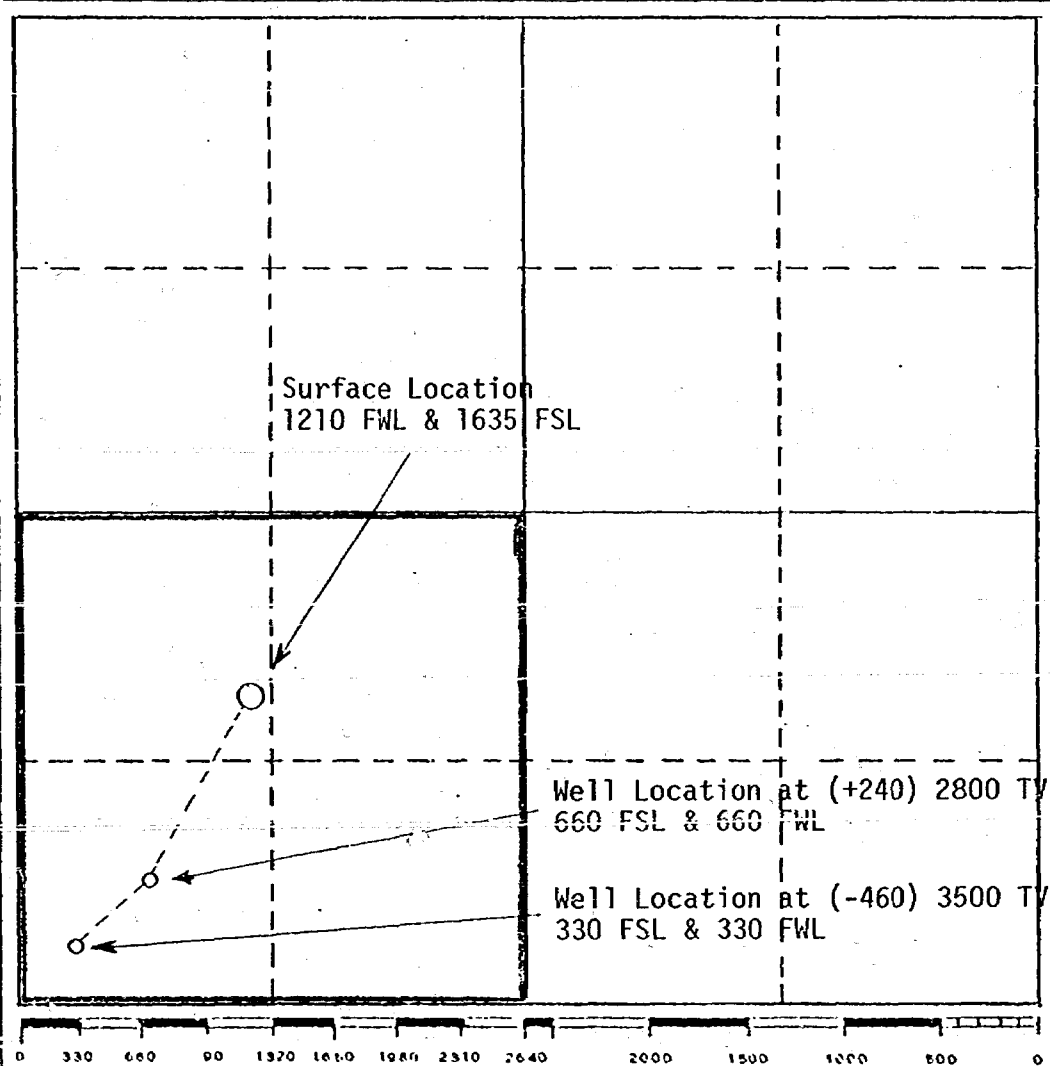
Operator Doyle Hartman Oil Operator			Lease City of Jal		Well No. 1
Unit Letter M	Section 20	Township T-25-S	Range R-37-E	County Lea	
Actual Footage Location of Well: Bottom hole location at bottom of Yates sand (+240)					
660		feet from the	South	line and	660
				feet from the	West
Ground Level Elev. 3040.2	Producing Formation Yates		Pool Jalmat		Dedicated Acreage 160

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

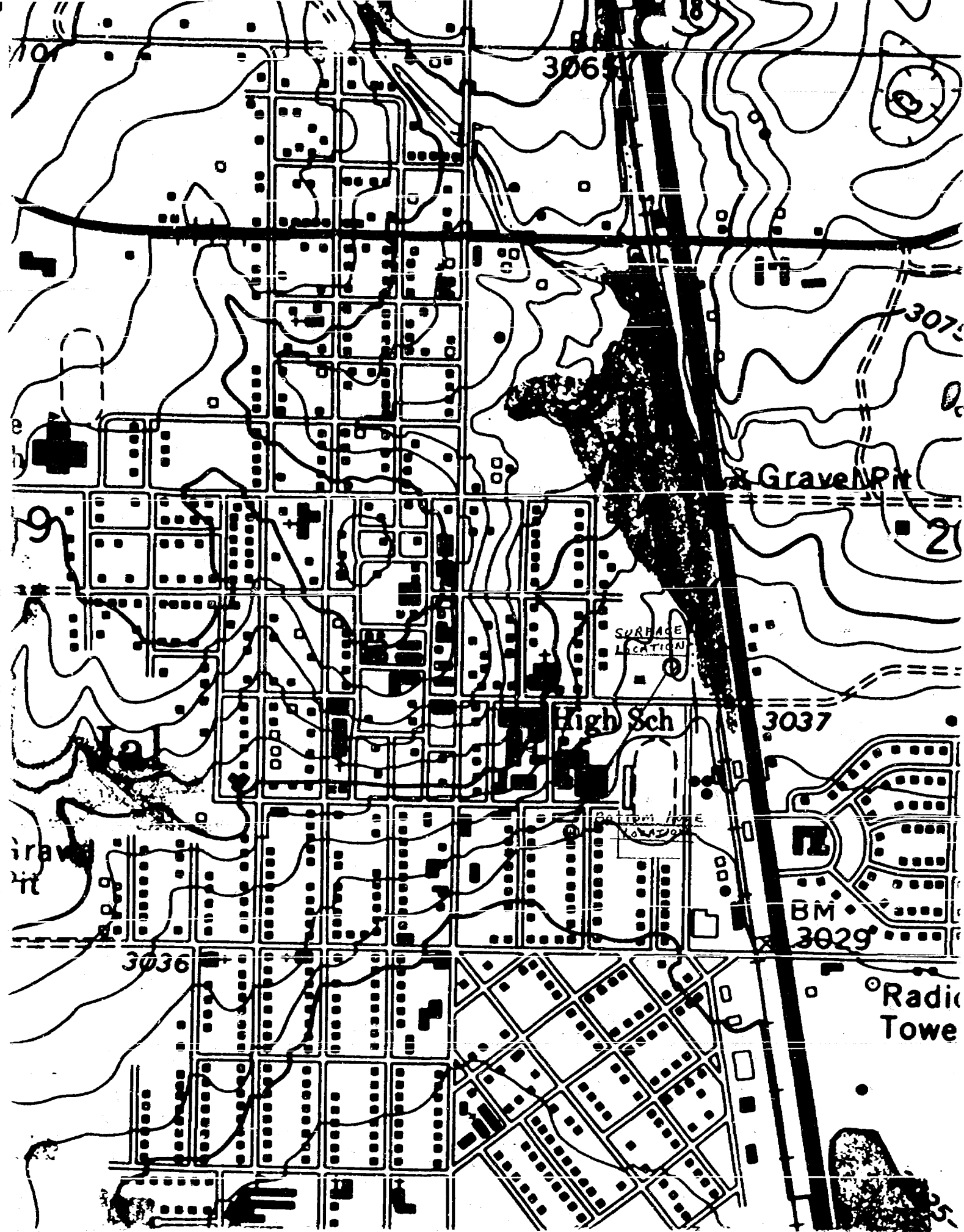
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

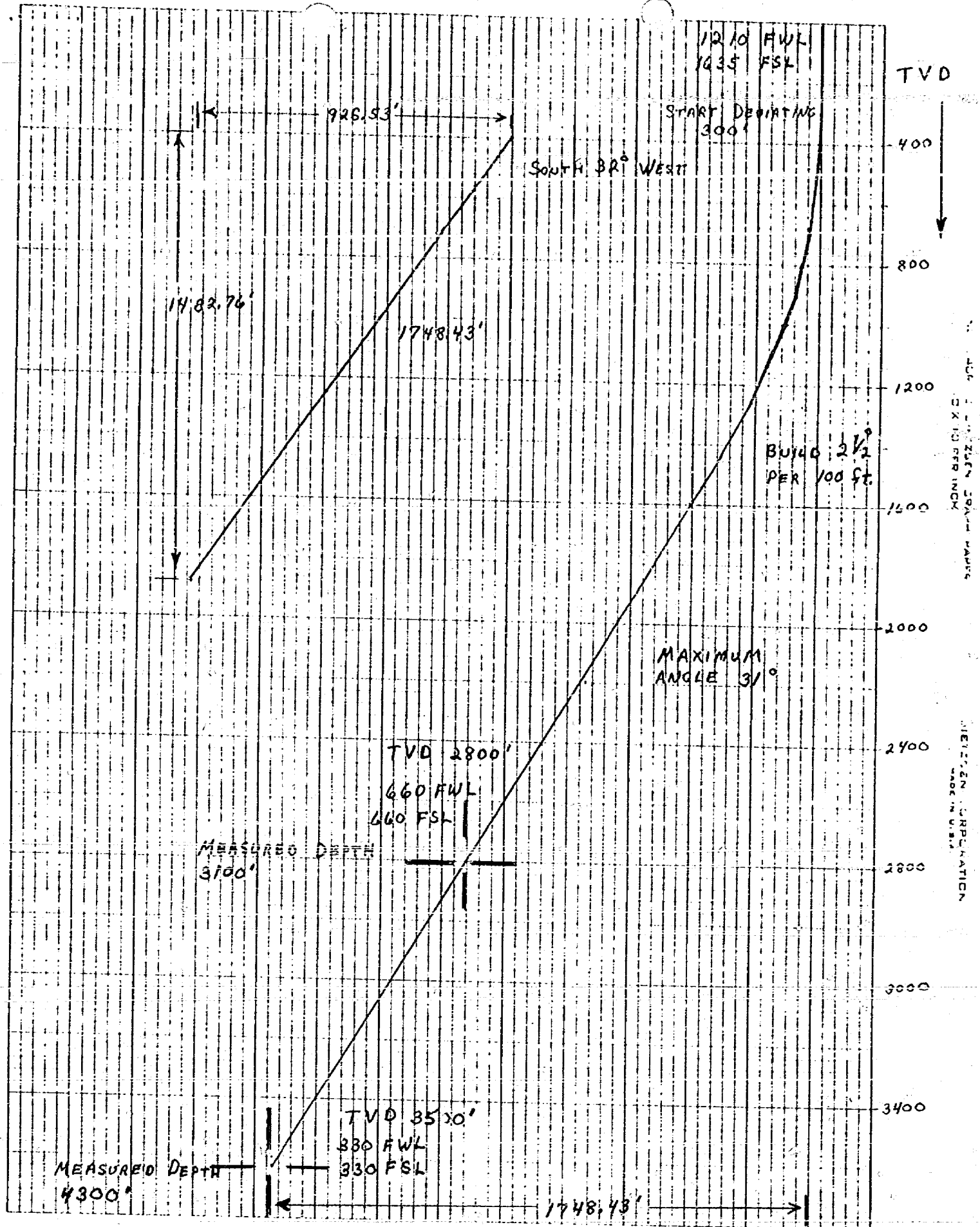
Name
Larry A. Young
Position
Engineer
Company
Doyle Hartman Oil Operator
Date
July 31, 1981

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Registered Professional Engineer and/or Land Surveyor

Certificate No.





MEASURED DEPTH	SECTION	AVERAGE ANGLE	DISPLACEMENT	TOTAL DISPLACEMENT	VERTICAL DEPTH	TRUE VERTICAL DEPTH
300	300	0	0	0	0	0
400	100	1 $\frac{1}{4}$	2.18	2.18	99.98	399.98
500	100	3 $\frac{3}{4}$	6.54	8.72	99.79	499.76
600	100	6 $\frac{1}{4}$	10.89	19.61	99.41	599.17
700	100	8 $\frac{3}{4}$	15.21	34.82	98.84	698.00
800	100	11 $\frac{1}{4}$	19.51	54.33	98.08	796.08
900	100	13 $\frac{3}{4}$	23.77	78.10	97.13	893.22
1000	100	16 $\frac{1}{4}$	27.98	106.09	96.01	989.22
1100	100	18 $\frac{3}{4}$	32.14	138.23	94.69	1083.92
1200	100	21 $\frac{1}{4}$	36.24	174.47	93.20	1177.12
1300	100	23 $\frac{3}{4}$	40.28	214.74	91.53	1268.65
1400	100	26 $\frac{1}{4}$	44.23	258.97	89.69	1358.33
1500	100	28 $\frac{3}{4}$	48.10	307.07	87.67	1446.01
1600	100	30 $\frac{1}{2}$	50.75	357.83	86.16	1532.17
1700	100	31	51.50	409.33	85.72	1617.89
2400	700	31	360.53	769.86	600.02	2217.90
2500	100	31	51.50	821.36	85.72	2303.62
2600	100	31	51.50	872.87	85.72	2389.34
2700	100	31	51.50	924.37	85.72	2475.06
2800	100	31	51.50	975.87	85.72	2560.77
3000	200	31	103.01	1078.88	171.43	2732.21
3200	200	31	103.01	1181.89	171.43	2903.64
3400	200	31	103.01	1284.90	171.43	3075.07
3700	300	31	154.51	1439.41	257.15	3332.23
4000	300	31	154.51	1593.92	257.15	3589.38
4300	300	31	154.51	1748.43	257.15	3846.53

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINES

RECEIVED
JAN 1981
OIL CONSERVATION DIVISION
SANTA FE
CASE 7340

IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN FOR DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

APPLICATION

Comes now DOYLE HARTMAN, by and through its undersigned attorneys, and hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its City of Jal Well No. 1, Jalmat Pool, and in support thereof would show the Division:

1. Applicant is the operator of the Jalmat Pool underlying the SW/4 of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to directionally drill its City of Jal Well No. 1 from a surface location of 1635 feet from the South line and 1210 feet from the West line to a bottom hole location of 660 feet from the South and West lines at a depth of 2800 feet and 330 feet from the South and West lines at a depth of 3500 feet in the Jalmat Pool of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
3. Applicant proposes to dedicate to the City of Jal Well No. 1 a standard proration unit comprised of the SW/4 of said Section 20.

4. The subject well lies in close proximity to a number of buildings within the City of Jal, New Mexico and must be directionally drilled to enable the applicant to produce the reserves which underlie the above referenced proration unit.

5. Attached hereto and incorporated herein is a copy of the Application for Permit to Drill the subject well, OCD Form C-102 showing the proposed surface and bottom hole locations for the subject well, a plat showing the general topography of the proposed proration unit and a preliminary proposal showing the proposed deviation of the hole for the subject well.

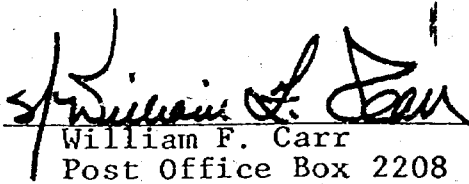
6. That approval of this application will enable the applicant to produce hydrocarbons that otherwise would not be produced and otherwise will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 26, 1981, that notice be given as required by law and the rules of the Division, and that after hearing, the Division enter its order granting the applicant permission to directionally drill its City of Jal Well No. 1 and granting such other and further relief as is appropriate.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
REVISED 11-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Assignment Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Form or Lease Name City of Jal	
c. Name of Operator Doyle Hartman Oil Operator		9. Well No. 1	
3. Address of Operator 500 North Main, Midland, Texas 79701		10. Field and Pool, or Wildcat Jalmat	
4. Location of Well UNIT LETTER M LOCATED 1210 FEET FROM THE West LINE AND 1635 FEET FROM THE South LINE OF SEC. 20 TWP. 25-S RGE. 37-E NMAPM		17. County lea	
19. Proposed Depth 3500 TVD		19A. Formation Yates	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RL, etc.) 3040.2 GL	
21A. Kind & Status Plug. Bond Multi-well Approved		21B. Drilling Contractor Kenai	
22. Approx. Date Work will start August, 1981			

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	10 3/4	40.50	900 TVD	600	Surface
7 7/8	5 1/2	17.00	3500 TVD	1200	Surface

We propose to drill a Jalmat well with the bottom hole location 660' FSL and 660 FWL of section 20, T-25-S, R-37-E. The surface at this location is occupied by houses. We propose to locate the rig on a vacant lot 1210 FWL and 1635' FSL of section 20, T-25-S, R-37-E and deviate the hole to a bottom hole location 660 FSL and 660 FWL of Section 20, T-25-S, R-37-E at a true vertical depth of 2800' GL. A directional survey will be run when total depth is reached.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000-psi double ram BOP system.

Any gas produced from the proposed well has previously been dedicated to El Paso Natural Gas Company.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Larry A. Henry Title Engineer Date July 31, 1981
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

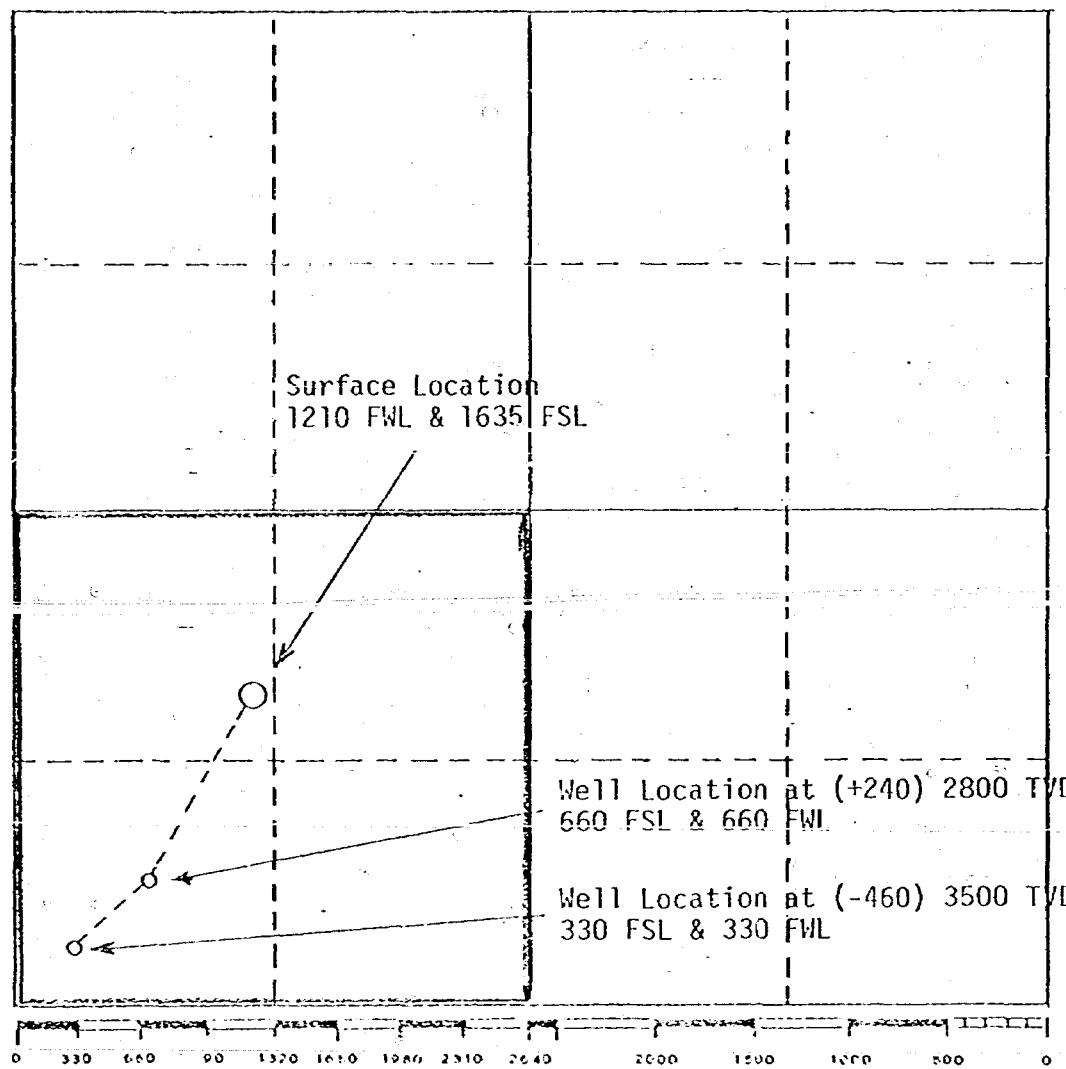
Operator Doyle Hartman Oil Operator			Lease City of Jal		Well No. 1
Well Letter M	Section 20	Township T-25-S	Range R-37-E	County Lea	
Actual Footage Location of Well: Bottom hole location at bottom of Yates sand (+240)					
660	feet from the	South	line end	660	feet from the West
Ground Level Elev. 3040.2		Producing Formation Yates		Pool Jalpat	Dedicated Acreage 160

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

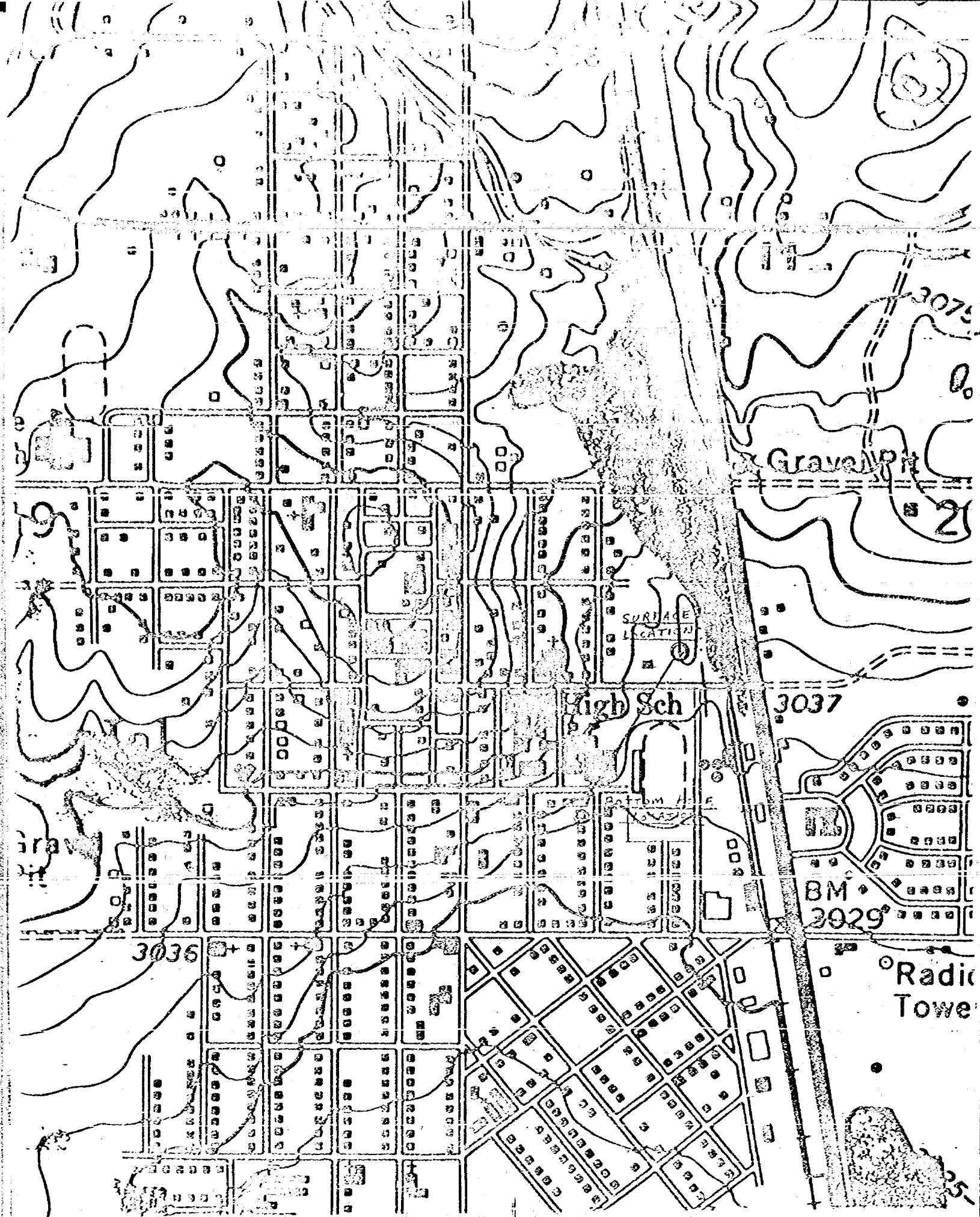
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

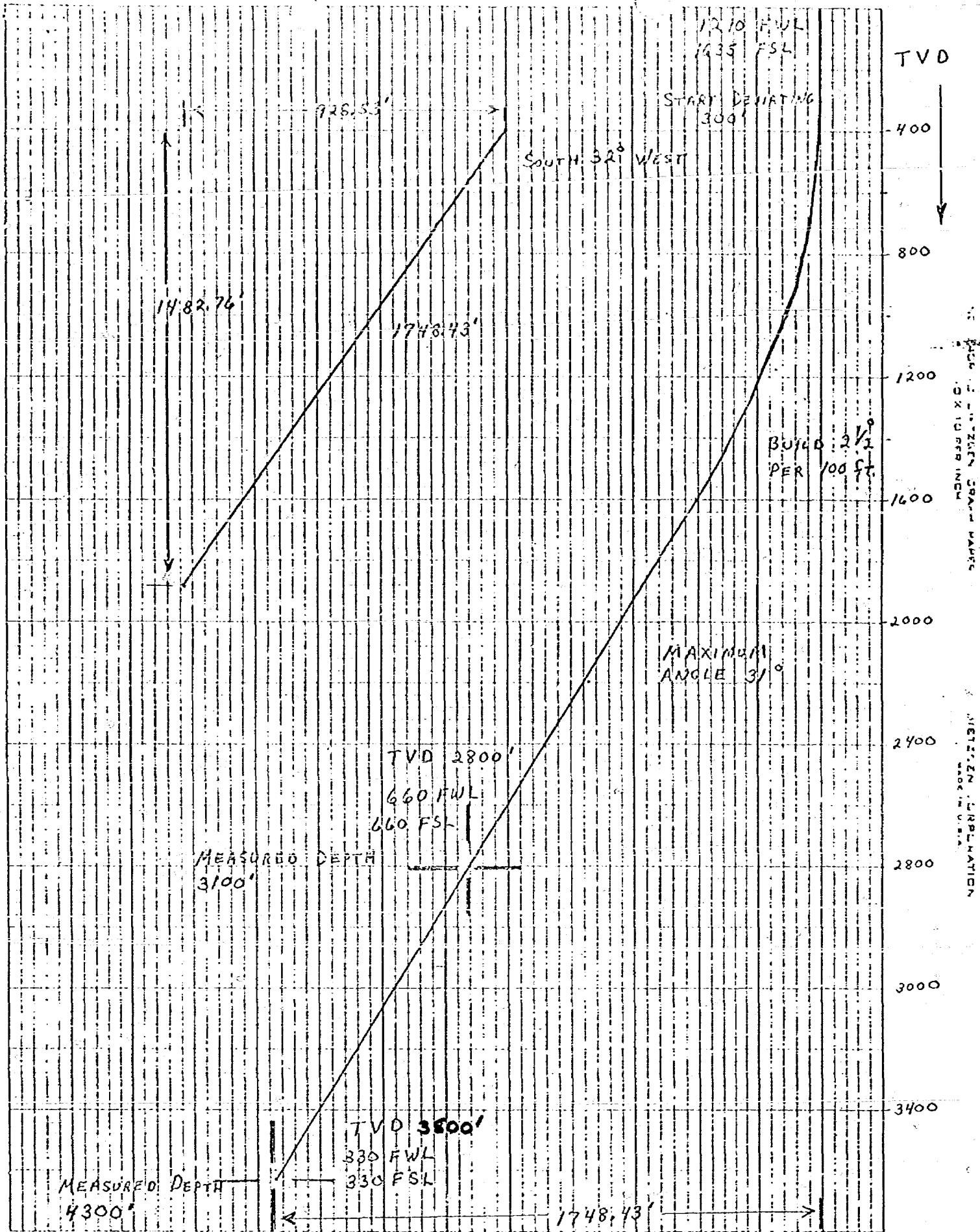
Name
Larry A. Yennings
Position
Engineer
Company
Doyle Hartman Oil Operator
Date
July 31, 1981

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____
Registered Professional Engineer
and/or Land Surveyor

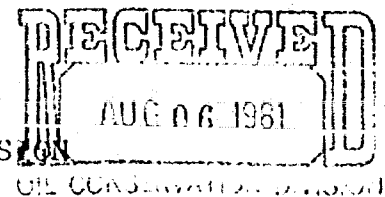
Certificate No. _____





HEADS OF B-	SECTION	AVERAGE	DISPLACEMENT	TOTAL	VERTICAL	TRUE
DEPTH		ANGLE		DISPLACEMENT	DEPTH	VERTICAL DEPTH
300	300	0	0	0	0	0
400	100	1 $\frac{1}{4}$	2.18	2.18	99.98	399.98
500	100	3 $\frac{3}{4}$	6.54	8.72	99.79	499.76
600	100	6 $\frac{1}{4}$	10.89	19.61	99.41	599.17
700	100	8 $\frac{3}{4}$	15.21	34.82	98.84	698.00
800	100	11 $\frac{1}{4}$	19.51	54.33	98.08	796.08
900	100	13 $\frac{3}{4}$	23.77	78.10	97.13	893.22
1000	100	16 $\frac{1}{4}$	27.98	106.09	96.01	989.22
1100	100	18 $\frac{3}{4}$	32.14	138.23	94.69	1083.92
1200	100	21 $\frac{1}{4}$	36.24	174.47	93.20	1177.12
1300	100	23 $\frac{3}{4}$	40.28	214.74	91.53	1268.65
1400	100	26 $\frac{1}{4}$	44.23	258.97	89.69	1358.33
1500	100	28 $\frac{3}{4}$	48.10	307.07	87.67	1446.01
1600	100	30 $\frac{1}{2}$	50.75	357.83	86.16	1532.17
1700	100	31	51.50	409.33	85.72	1617.89
2400	700	31	360.53	769.86	600.02	2217.90
2500	100	31	51.50	821.36	85.72	2303.62
2600	100	31	51.50	872.87	85.72	2389.34
2700	100	31	51.50	924.37	85.72	2475.06
2800	100	31	51.50	975.87	85.72	2560.77
3000	200	31	103.01	1078.88	171.43	2732.21
3200	200	31	103.01	1181.89	171.43	2903.64
3400	200	31	103.01	1284.90	171.43	3075.07
3700	300	31	154.51	1439.41	257.15	3332.23
4000	300	31	154.51	1593.92	257.15	3589.38
4300	300	31	154.51	1748.43	257.15	3846.53

BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN FOR DIRECTIONAL
DRILLING, LEA COUNTY, NEW MEXICO.

CASE 7340

APPLICATION

Comes now DOYLE HARTMAN, by and through its undersigned attorneys, and hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its City of Jal Well No. 1, Jalmat Pool, and in support thereof would show the Division:

1. Applicant is the operator of the Jalmat Pool underlying the SW/4 of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to directionally drill its City of Jal Well No. 1 from a surface location of 1635 feet from the South line and 1210 feet from the West line to a bottom hole location of 660 feet from the South and West lines at a depth of 2800 feet and 330 feet from the South and West lines at a depth of 3500 feet in the Jalmat Pool of Section 20, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
3. Applicant proposes to dedicate to the City of Jal Well No. 1 a standard proration unit comprised of the SW/4 of said Section 20.

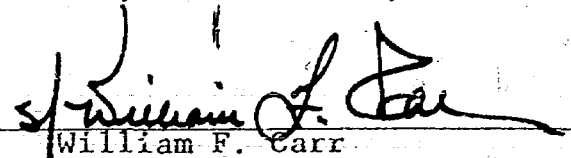
4. The subject well lies in close proximity to a number of buildings within the City of Jal, New Mexico and must be directionally drilled to enable the applicant to produce the reserves which underlie the above-referenced proration unit.

5. Attached hereto and incorporated herein is a copy of the Application for Permit to Drill the subject well, OCD Form C-102 showing the proposed surface and bottom hole locations for the subject well, a plat showing the general topography of the proposed proration unit and a preliminary proposal showing the proposed deviation of the hole for the subject well.

6. That approval of this application will enable the applicant to produce hydrocarbons that otherwise would not be produced and otherwise will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 26, 1981, that notice be given as required by law and the rules of the Division, and that after hearing, the Division enter its order granting the applicant permission to directionally drill its City of Jal Well No. 1 and granting such other and further relief as is appropriate.

Respectfully submitted,
CAMPBELL, BYRD & BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name City of Jal	
2. Name of Operator Doyle Hartman Oil Operator		9. Well No. 1	
3. Address of Operator 500 North Main, Midland, Texas 79701		10. Field and Pool, or Wildcat Jalmat	
4. Location of Well UNIT LETTER M LOCATED 1210 FEET FROM THE West LINE AND 1635 FEET FROM THE South LINE OF SEC. 20 TWP. 25-S RGE. 37-E NMDM		12. County Lea	
19. Proposed Depth 3500 TVD		19A. Formation Yates	
21. Elevations (Show whether DF, RL, etc.) 3040.2 GL		20. Rotary or C.T. Rotary	
21A. Kind & Status Plug. Bond Multi-well Approved		22. Approx. Date Work will start August, 1981	

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	10 3/4	40.50	900 TVD	600	Surface
7 7/8	5 1/2	17.00	3500 TVD	1200	Surface

We propose to drill a Jalmat well with the bottom hole location 660' FSL and 660' FWL of section 20, T-25-S, R-37-E. The surface at this location is occupied by houses. We propose to locate the rig on a vacant lot 1210' FWL and 1635' FSL of section 20, T-25-S, R-37-E and deviate the hole to a bottom hole location 660' FSL and 660' FWL of Section 20, T-25-S, R-37-E at a true vertical depth of 2800' GL. A directional survey will be run when total depth is reached.

From the base of the surface pipe through the running of production casing, the well will be equipped with a 3000-psi double ram BOP system.

Any gas produced from the proposed well has previously been dedicated to El Paso Natural Gas Company.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Larry A. Nemy Title Engineer Date July 31, 1981
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

All distances must be from the outer boundaries of the Section.

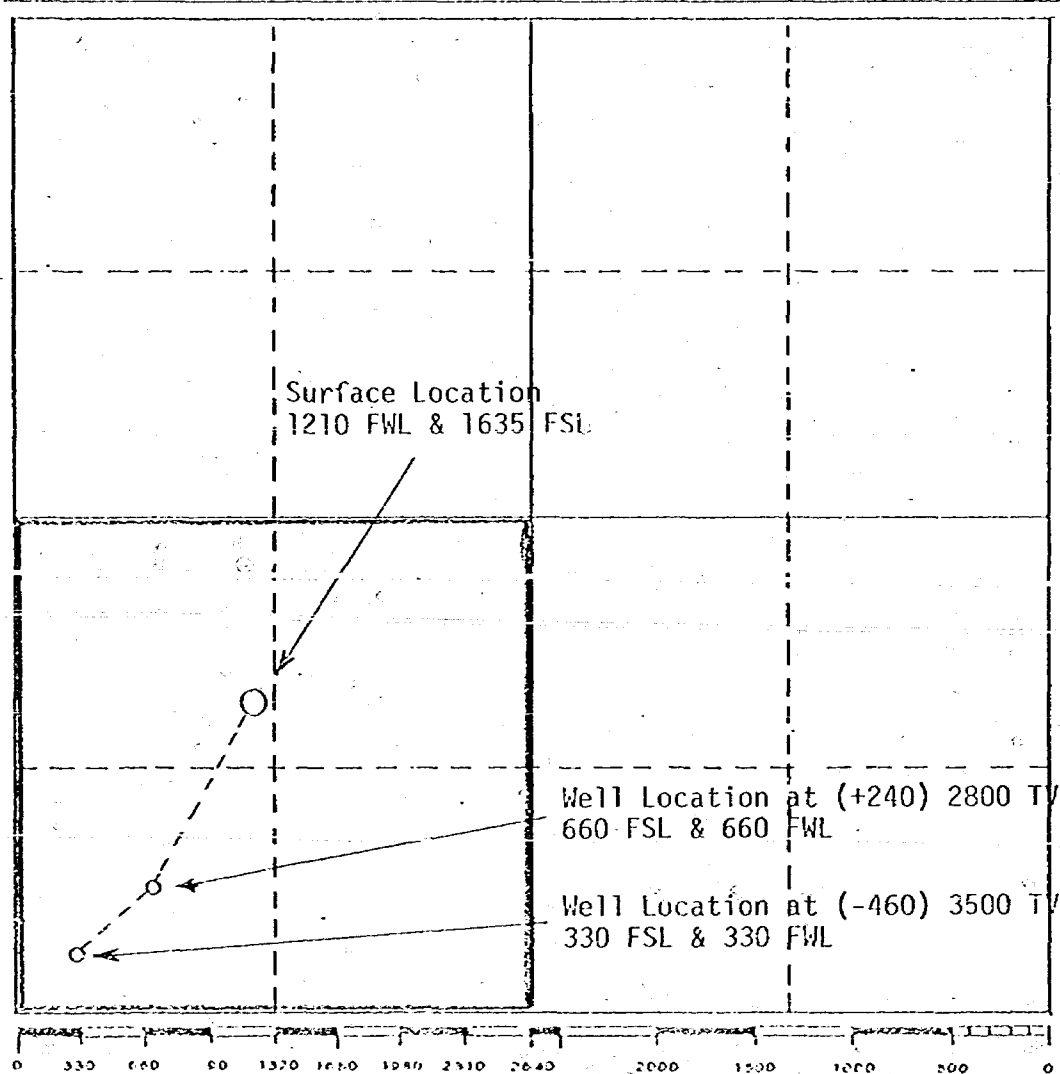
Operator Doyle Hartman Oil Operator			Lease City of Jal		Well No. 1
Well Letter M	Section 20	Township T-25-S	Range R-37-E	County Lea	
Actual Footage Location of Well: Bottom hole location at bottom of Yates sand (+240)					
660 feet from the South line and		660 feet from the West line			
Ground Level Elev. 3040.2	Producing Formation Yates	Pool Jalmat	Dedicated Acreage 160		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name

Larry A. Ramsey

Position

Engineer

Company

Doyle Hartman Oil Operator

Date

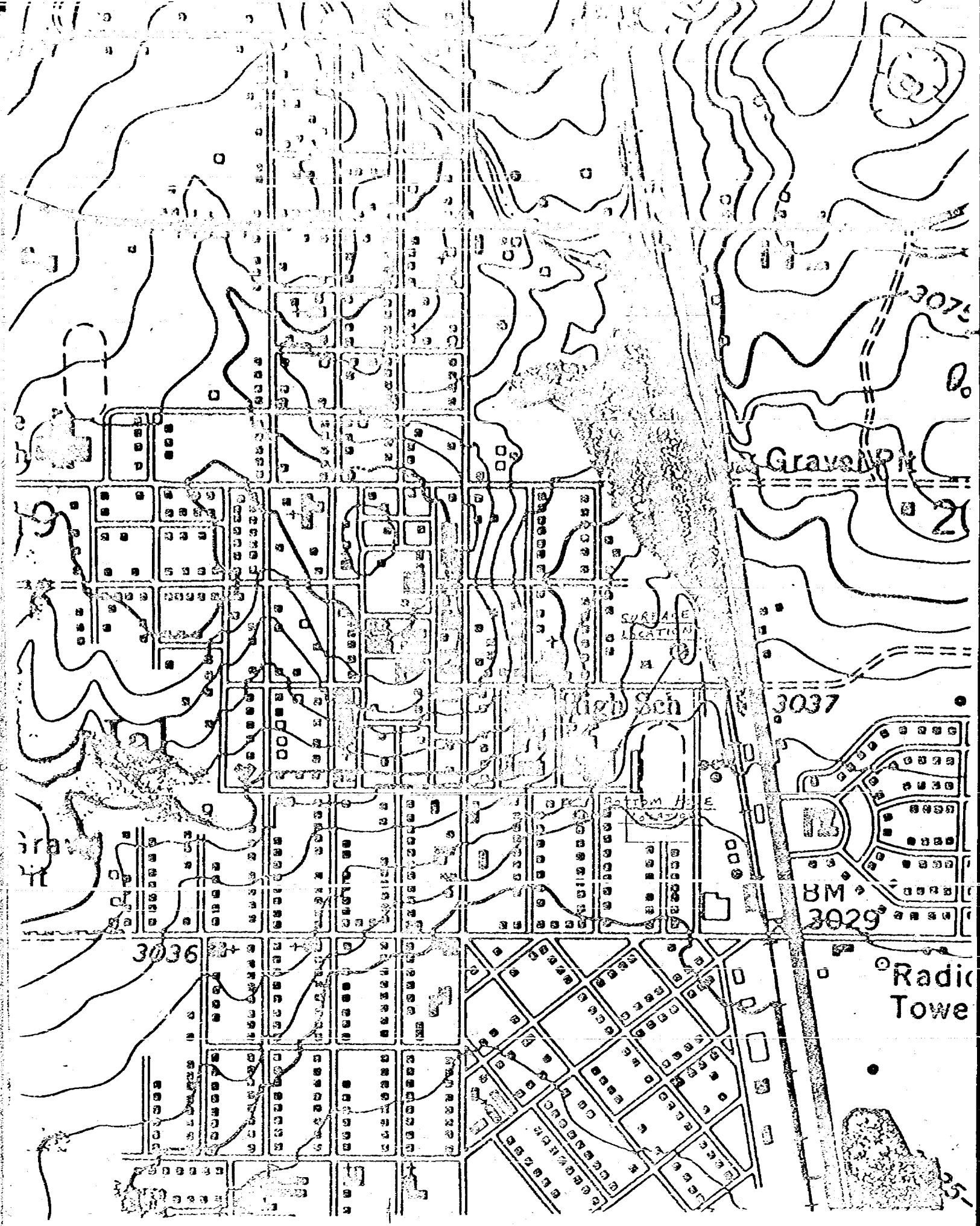
July 31, 1981

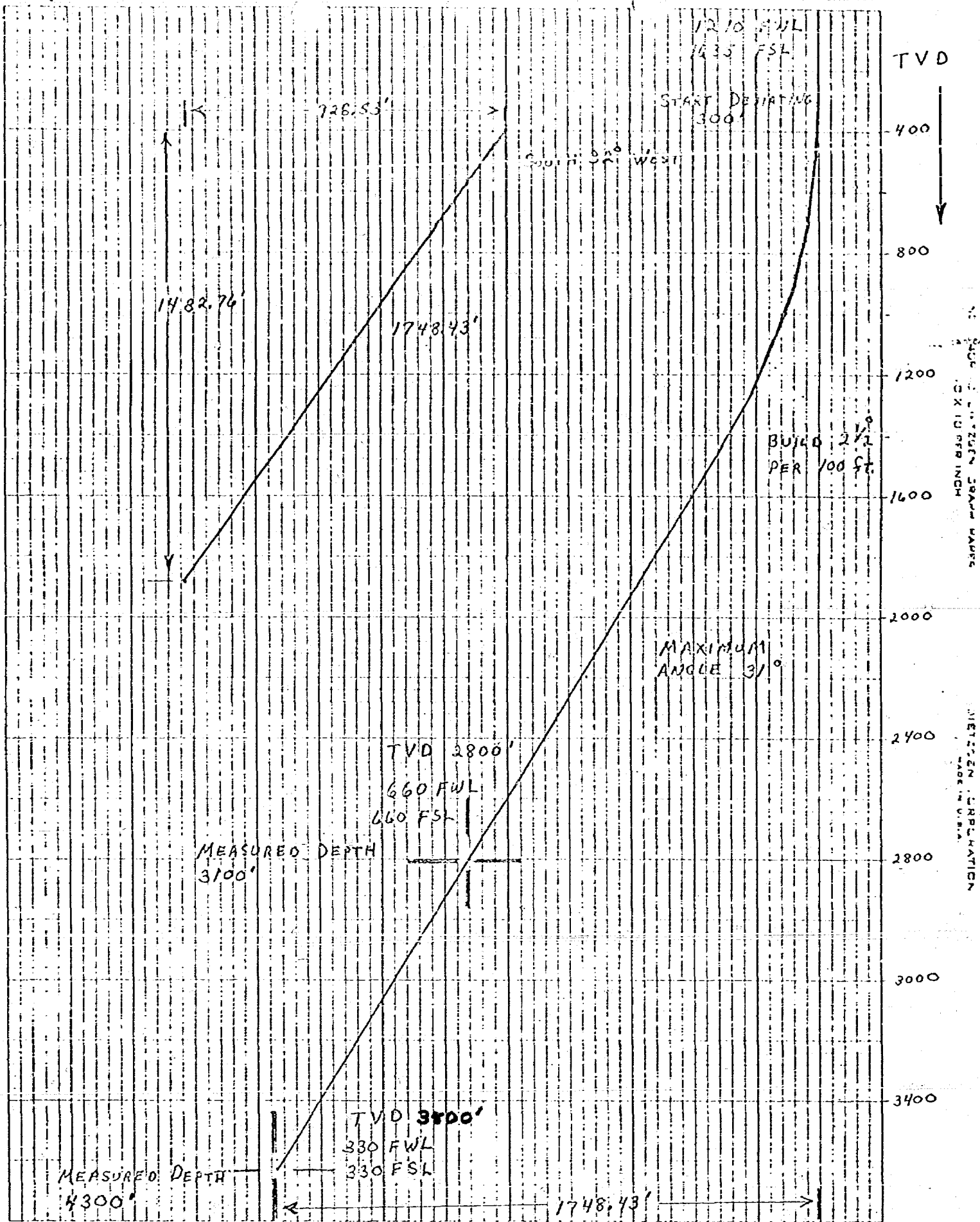
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.





MEASURED DEPTH	SECTION	AVERAGE ANGLE	DISPLACEMENT	TOTAL DISPLACEMENT	VERTICAL DEPTH	TRUE VERTICAL DEPTH
300	300	0	0	0	0	0
400	100	1 $\frac{1}{4}$	2.18	2.18	99.98	399.98
500	100	3 $\frac{3}{4}$	6.54	8.72	99.79	499.76
600	100	6 $\frac{1}{4}$	10.89	19.61	99.41	599.17
700	100	8 $\frac{3}{4}$	15.21	34.82	98.84	698.00
800	100	11 $\frac{1}{4}$	19.51	54.33	98.08	796.08
900	100	13 $\frac{3}{4}$	23.77	78.10	97.13	893.22
1000	100	16 $\frac{1}{4}$	27.98	106.09	96.01	989.22
1100	100	18 $\frac{3}{4}$	32.14	138.23	94.69	1083.92
1200	100	21 $\frac{1}{4}$	36.24	174.47	93.20	1177.12
1300	100	23 $\frac{3}{4}$	40.28	214.74	91.53	1268.65
1400	100	26 $\frac{1}{4}$	44.23	258.97	89.69	1358.33
1500	100	28 $\frac{3}{4}$	48.10	307.07	87.67	1446.01
1600	100	30 $\frac{1}{2}$	50.75	357.83	86.16	1532.17
1700	100	31	51.50	409.33	85.72	1617.89
2400	700	31	360.53	769.86	600.02	2217.90
2500	100	31	51.50	821.36	85.72	2303.62
2600	100	31	51.50	872.87	85.72	2389.34
2700	100	31	51.50	924.37	85.72	2475.06
2800	100	31	51.50	975.87	85.72	2560.77
3000	200	31	103.01	1078.88	171.43	2732.21
3200	200	31	103.01	1181.89	171.43	2903.64
3400	200	31	103.01	1284.90	171.43	3075.07
3700	300	31	154.51	1439.41	257.15	3332.23
4000	300	31	154.51	1593.92	257.15	3589.38
4300	300	31	154.51	1748.43	257.15	3846.53

DISPLACEMENT AND TRUE VERTICAL DEPTH
vs. MEASURED DEPTH

Bates No. 3
N/2 SW/4 Section 20, T-25-S, R-37-E
Lea County, New Mexico

Measured Depth	Section	Average Deviation	Displacement	Total Displacement	TVD
800	800	0	0	0	800
900	100	1 1/4	2.181	2.181	899.98
1000	100	3 3/4	6.540	8.721	999.76
1100	100	6 1/4	10.887	19.608	1099.17
1200	100	8 3/4	15.212	34.820	1198.00
1300	100	11 1/4	19.509	54.329	1296.08
1400	100	13 3/4	23.769	78.098	1393.22
1500	100	16 1/4	27.983	106.081	1489.22
1600	100	17 3/4	30.486	136.57	1584.46
1700	100	19	32.557	169.124	1679.01
2500	800	19	260.456	429.580	2435.43
2600	100	19	32.557	462.137	2547.98
3500	900	19	293.013	755.150	3398.95
3600	100	19	32.557	787.707	3493.50
3700	100	19	32.557	820.264	3588.05

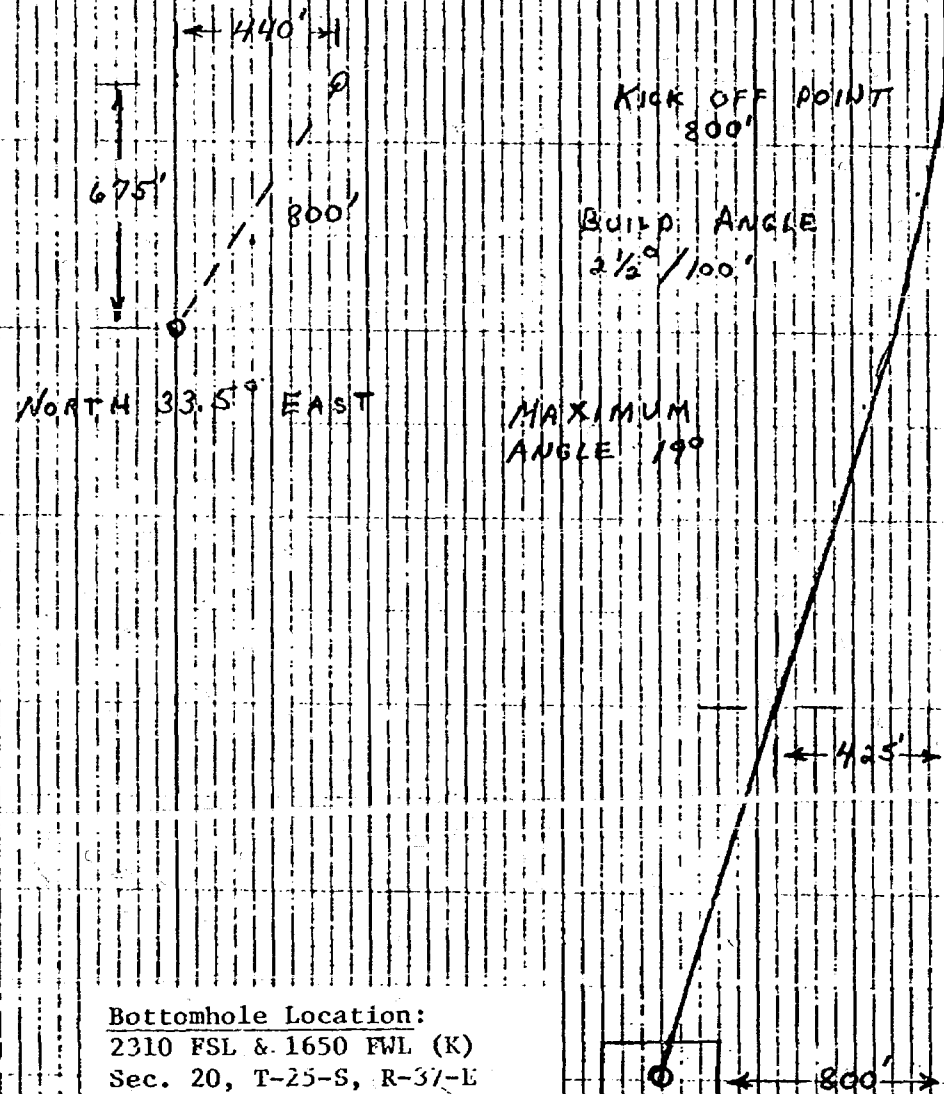
BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
HAZMAN EXHIBIT NO. 5
CASE NO. 7340
Submitted by ALC NERMYE
Hearing Date 8/26/81

TRUE VERTICAL DEPTH vs. DISPLACEMENT

Bates No. 3
N/2 SW/4 Section 20, T-25-S, R-37-E
Lea County, New Mexico

Surface Location:

1635 FSL & 1210 FWL (L),
Sec. 20, T-25-S, R-37-E



Bottomhole Location:

2310 FSL & 1650 FWL (K)
Sec. 20, T-25-S, R-37-E
MD= 3650 @ 3605
TVD= 3500
Total Displacement= 800'
Direction: N33.5°E

DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7340
Order No. R- 6795

Application of Doyle Hartman for directional drilling and an unorthodox location, Lea County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 26,
19 81, at Santa Fe, New Mexico, before Examiner ALS.

NOW, on this _____ day of October, 19 81, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

Case No 7340 should be dismissed.
That ~~the applicant's request for dismissal should be granted.~~

IT IS THEREFORE ORDERED:

That Case No. 7340 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

