

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. 8722
Order No. R-8186

APPLICATION OF DOYLE HARTMAN
FOR A NON-STANDARD GAS PRORATION
UNIT, COMPULSORY POOLING AND AN
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 23 and November 21, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of March, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearings Division Cases Nos. 8722 and 8748 were consolidated for the purpose of testimony.

(3) The applicant, Doyle Hartman, seeks an order approving a 200-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 25 and the NE/4 NE/4 of Section 36, both in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico; and an order pooling all mineral interests in the Jalmat Gas Pool underlying this non-standard gas spacing and proration unit; and approving an unorthodox gas well location for a well to be drilled 1550 feet from the South line and 1200 feet from the East line of said Section 25.

(4) The applicant has advised the Division that since the time of the final hearing, he has acquired all interests in the Jalmat Gas Pool in the proposed non-standard spacing and proration unit and the compulsory pooling portion of this case should be therefore dismissed.

(5) The applicant is the owner of the working interest underlying the proposed 200-acre non-standard spacing and proration unit and has the right to drill thereon.

(6) Sun Exploration and Production Company was an interest owner in the proposed non-standard spacing and proration unit at the time the matter came on for hearing but has since conveyed its interest to Hartman and has withdrawn its opposition to Hartman's application.

(7) Failure to include the NE/4 NE/4 of Section 36 in the proposed 200-acre non-standard spacing and proration unit would result in this 40-acre tract not being dedicated to any well, being too small to be economically developed on its own and being drained by other wells completed in the Jalmat Gas Pool without compensation to the owners therein, thereby violating correlative rights.

(8) Approval of a 200-acre non-standard spacing and proration unit comprised of the SE/4 of Section 25 and the NE/4 NE/4 of Section 36, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, will protect the correlative rights of the interest owners in this unit and should be approved.

(9) A well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(10) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Doyle Hartman for an order pooling all the mineral interests, whatever they may be, in the Jalmat Gas Pool underlying the SE/4 of Section 25

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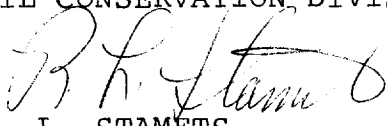
and the NE/4 NE/4 of Section 36, both in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby dismissed.

(2) The application of Doyle Hartman for an unorthodox well location and non-standard spacing and proration unit is hereby approved for a well to be drilled at a location 1550 feet from the South line and 1200 feet from the East line of Section 25, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to a non-standard spacing and proration unit to be comprised of the SE/4 of Section 25 and the NE/4 NE/4 of Section 36, both in Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

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