

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. 10008
Order No. R-9437

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 8:15 a.m. on January 24, 1991,
at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW on this 11th day of February, 1991, the Division Director,
having considered the testimony, the record, and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Doyle Hartman, seeks approval for a non-
standard 197.75-acre gas spacing and proration unit for the Jalmat Gas
Pool. The unit would consist of Lots 3 and 4, the SE/4 NW/4, and the
E/2 SW/4 of Section 6, Township 24 South, Range 37 East, NMPM, Lea
County, New Mexico. Said unit is to be dedicated to the Doyle Hartman
Carter Eaves NCT A Well 2 to be drilled as a Jalmat gas well at a location
660 feet from the North line and 924 feet from the West line (Unit D) of
said Section 6.

(3) The applicant had also sought approval for compulsory pooling
and an unorthodox gas well location but at the hearing asked the
Division to dismiss these parts of the application.

(4) Rule 4(b)2 of the Jalmat Gas Pool Rules, as promulgated by Division Order No. R-8170, as amended, provides that in establishing a non-standard gas proration unit, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

<u>LOCATION</u>	<u>MAXIMUM ACREAGE</u>
660-660	160 acres
660-990	320 acres
990-990	600 acres

(5) Applicant's witness requested approval to assign 197.75 acres to the Carter Eaves NCT A Well No. 1 since, in his opinion, the distance of the well from the two nearest lease lines would allow more than 160 acres and only slightly less than 320 acres to be assigned based on the well location and an interpolation of the distance requirements shown above in Finding No. (4). This is a reasonable interpretation of the rule.

(6) Chevron USA Inc. currently operates a Jalmat Gas Pool well (Carter Eaves NCT A Well No. 1) located in Lot 3 (Unit C) of said Section 6. The Chevron well has a 159.8-acre proration unit assigned to it which Doyle Hartman is proposing to include in the proration unit for his Carter Eaves NCT A Well No. 2. Chevron and Hartman have reached an agreement providing for the abandonment of Jalmat production in the Chevron well so that the 159.8 acres currently assigned to it may be assigned to the proration unit for the Hartman well.

(7) Lot 4 of said Section 6 which would also be included in the proration unit for the Hartman Carter Eaves NCT A Well No. 2 is currently undeveloped and unassigned.

(8) The proposed 197.75-acre proration unit appears to be productive of gas from the Jalmat Gas Pool.

(9) Chevron appeared at the hearing and indicated they are in agreement with the proposal. No other offset operator or interest owner appeared at the hearing in opposition to the application.

(10) Approval of the application will enable the applicant to recover the remaining gas reserves underlying the proposed proration unit, prevent waste, and protect correlative rights.

Page 3
Case No. 10008
Order No. R-9437

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 197.75-acre gas spacing unit consisting of Lots 3 and 4, the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Doyle Hartman Carter Eaves NCT A Well No. 2 to be drilled as a Jalmat Gas Pool producing well at a location 660 feet from the North line and 924 feet from the West line (Unit D) of said Section 6.

(2) For purposes of assigning gas allowable, the subject proration unit shall be assigned an acreage factor of 1.24 in the Jalmat Gas Pool.

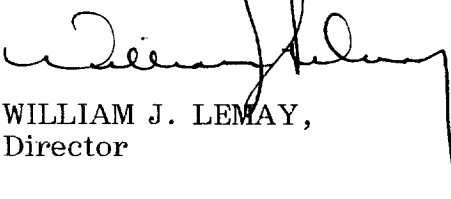
(3) The Chevron USA Inc. Carter Eaves NCT A Well No. 1 shall be plugged off in the Jalmat Gas Pool producing interval before the gas allowable provided for in ordering paragraph No. (2) above is assigned. Plugging procedures shall be approved by the Hobbs district office of the Oil Conservation Division.

(5) The compulsory pooling and unorthodox gas well location portions of this application are hereby dismissed.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY,
Director

S E A L

dr/