



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 6, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702

Telefax No. (432) 682-7616

Attention: Doyle Hartman

Administrative Order SD-04-04

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 24, 2004 (*administrative application reference No. pMES0-412727357*); and (ii) the records of the Division in Santa Fe, including the file in Division Case No. 614: all concerning your plans for the depletion of the Jalmat Gas Pool (79240) within the existing non-standard 160-acre gas spacing unit comprising the S/2 S/2 of Section 2, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

Division Order No. R-424, issued in Case No. 614 on April 16, 1954, initially established the subject 160-acre unit for the Mexico "E" Com. Well No. 1 (API No. 30-025-09224), located 660 feet from the South line and 1320 feet from the East line of Section 2.

From your application and the Division's records, it is our understanding that the above-described Mexico "E" Com. Well No. 1 was properly temporarily abandoned earlier this year and is no longer participating in this unit.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Doyle Hartman, Oil Operator is hereby authorized to simultaneously dedicate Jalmat gas production to the above-described 160-acre non-standard gas spacing unit from the following four existing wells:

- (1) Mexico "E" Com. Well No. 2 (API No. 30-025-09225), located at a standard Jalmat gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 2;
- (2) Hobbs "K" Well No. 2 (API No. 30-025-09226), to be redesignated the Mexico "E" Com. Well No. 3, located at a standard Jalmat gas well location 660 feet from the South and West lines (Unit M) of Section 2;

(3) Hobbs "L" Well No. 1 (API No. 30-025-09227), to be redesignated the Mexico "E" Com. Well No. 4, located at a standard Jalmat gas well location 660 feet from the South and East lines (Unit P) of Section 2; and

(4) Hobbs "L" Well No. 2 (API No. 30-025-09228), to be redesignated the Mexico "E" Com. Well No. 5, located at a standard Jalmat gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 2.

Further, all provisions applicable to the subject 160-acre non-standard Jalmat gas spacing unit in Division Order No. R-424, not in conflict with this order, shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MS/mes

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: Division Case No. 614