



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

MEMO

DATE: 4/12/05
TO: Michael Stogner
FROM: Donna

- | | |
|---|---|
| <input type="checkbox"/> For Your Files | <input type="checkbox"/> Prepare a Reply for My Signature |
| <input type="checkbox"/> For Your Review and Return | <input type="checkbox"/> For Your Information |
| <input checked="" type="checkbox"/> For Your Handling | <input type="checkbox"/> For Your Approval |
| <input type="checkbox"/> As Per Your Request | <input type="checkbox"/> For Your Signature |
| <input checked="" type="checkbox"/> Please Advise | <input type="checkbox"/> For Your Attention |

Does Hartman need to
revise this NSP to cover
the #8 well instead of the #12.
I asked Steve to call you.

6 pgs



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

November 5, 2004

Mark E. Fesmire, P.E.
Director

Joanna Prukop
Cabinet Secretary

Oil Conservation Division

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

Telefax No. (432) 682-7616

Attention: **Steve Hartman**
Engineer



Administrative Order NSP-1517-A (SD)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on October 8, 2004 (*administrative application reference No. pSEM0-428252076*); and (ii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-516 and 516-A, NSP-744, NSP-1193, NSP-1194, NSP-1517 (L) (SD), NSL-4665 (SD), and SD-04-03 and Division Case No. 6197 (see Division Order No. R-5701): all concerning your request to decrease the acreage of an existing non-standard 320-acre gas spacing unit in the Jalmat Gas Pool (79240) comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, by deleting therefrom the 80 acres comprising the E/2 NE/4 of Section 36.

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.

The subject 320-acre unit was established by Division Administrative Order NSP-1517 (L) (SD), dated November 2, 1987 for the following two wells:

- (1) State LM "T" Well No. 9 (API No. 30-025-26616), located at a standard gas well location 780 feet from the North line and 1860 feet from the West line (Unit C) of Section 36, which well was the subject of Division Administrative Orders NSP-1194, dated May 26, 1980, and NSP-1517 (L) (SD); and
- (2) State LM "T" Well No. 10 (API No. 30-025-26617), located at a location considered "unorthodox" at that time, but now under Rule 3 (A) (2) of the special rules currently governing the Jalmat Gas Pool is "standard," 1860 feet from the North line and 780 feet from the East line (Unit H) of Section 36, which well was also the subject of Division Administrative Orders NSP-1193, dated May 26, 1980.

Doyle Hartman, Oil Operator
November 5, 2004
Page 2

Division Administrative Order NSP-1517-A (SD)

By Division Administrative Order NSL-4665 (SD), dated November 26, 2001, a third Jalmat gas well for this unit, the State LM "T" Well No. 11 (API No. 30-025-35366), located at an unorthodox infill gas well location 1150 feet from the North line and 1750 feet from the East line (Unit B) of Section 36, was approved.

Division Administrative Order SD-04-03 issued May 5, 2004 authorized:

(1) a fourth Jalmat gas well for this unit, the State LM "T" Well No. 12, located to be drilled at a standard infill gas well location, pursuant to Rule 3 (A) (2) of the special rules governing the Jalmat Gas Pool, within either the NW/4 NW/4 (Unit D) or the SW/4 NW/4 (Unit E) of Section 36; and

(2) that the above-described State LM "T" Well No. 10 in Unit "H" of Section 36 be replaced by recompleting the temporarily abandoned OXY USA Inc. Myers Langlie Mattix Unit Well No. 63, formerly known as and to be redesignated the State LM "T" Well No. 5 (API No. 30-025-09476), located at a standard infill gas well location 660 feet from the North and East lines (Unit A) of Section 36, which well was also the subject of Division Administrative Order NSP-744.

Division Administrative Order SD-04-03 further provided that once Jalmat gas production was established in the State LM "T" Well No. 5, the State LM "T" Well No. 10 would be abandoned.

It is the Division's understanding that the two above described: (i) State LM "T" Well No. 5 in Unit "A" of Section 36 has been recompleted as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the NE/4 NE/4 of Section 36 is to be omitted from this 320-acre non-standard gas unit at this time; and (ii) State LM "T" Well No. 10 in Unit "H" of Section 36, after remedial work was performed, was reclassified as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the SE/4 NE/4 of Section 36 is also to be omitted from this 320-acre non-standard gas unit.

By the authority granted me under the provisions of Rules 4 (C) and (D) of the special rules governing the Jalmat Gas Pool, the following described 240-acre non-standard gas spacing unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 36: W/2 NE/4 and NW/4.

Doyle Hartman, Oil Operator
November 5, 2004
Page 3

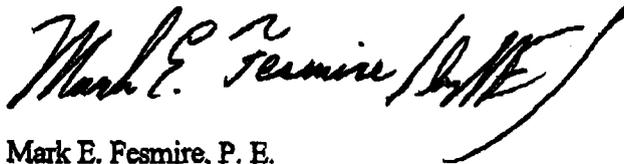
Division Administrative Order NSP-1517-A (SD)

Further, 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 this 240-acre non-standard gas spacing unit from the above-described State LM "T" Wells No. 9, 11, and 12.

It is further ordered that: (i) all provisions applicable to the location exception for the above-described State LM "T" Well No. 11, not in conflict with this order, shall remain in full force and affect until further notice; and (ii) Division Administrative Orders SD-04-03 and NSP-1517 (L) (SD), now deemed obsolete to a spacing unit that does not exist, are hereby placed in abeyance 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,



Mark E. Fesmire, P. E.
Director

MEF/ms

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 Administrative Order NSP-516
Division Administrative Order NSP-516-A
Division Administrative Order NSP-744
Division Administrative Order NSP-1193
Division Administrative Order NSP-1194
Division Administrative Order NSP-1517 (L) (SD)
Division Administrative Order NSL-4665 (SD)
Division Administrative Order SD-04-03
Division Case No. 6197

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
 AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Doyle Hartman 500 N. Main St. Midland, TX 79701		OGRID Number 6473
Property Code 33240		API Number 30-025-09460
Property Name State "LMT"		Well No. 8
Proposed Pool 1 Jalmat (T-Y-7R) Geo		Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot ldn	Foot from the	North/South line	Foot from the	East/West line	County
D	36	23S	38E		660'	North	660'	West	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ldn	Foot from the	North/South line	Foot from the	East/West line	County

Additional Well Information

Well Type Code E	Well Type Code G	Cable/Runty R	Lease Type Code S	Ground Level Elevation 3327'
Multiple No	Proposed Depth 3600'	Formation Queen	Contractor Lucky Well Service	Spud Date 05/01/2005
Depth to Groundwater 120'		Distance from nearest fresh water well 0.53 mi.		Distance from nearest surface water N/A
Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: 500 bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> (500 BBL Frac Tank) Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5 #/ft	289'	200 sx	Circ.
11"	8 5/8"	28 #/ft	1219'	625 sx	280'
7 3/8"	5 1/2"	15.5 #/ft	3480'	500 sx	2055'
4 3/4"	4 1/2" F.J.L.	11.8 #/ft	3440' - 3800'	1200 sx	3440'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
The State "LMT" No. 8 well was completed, on 8/25/1949, as an open-hole Langlie Matlx (7R-Q) oil producer, from 3480' to 3600', for an initial production of 76 BOPD.

On 9/6/2003 - 9/9/2003, Oxy plugged and abandoned the well, as follows:

- Spotted 25 sx cement plug at 2920'.
- Perf'd 5 1/2" csg at 1269' and squeezed w/ 35 sx (TOC @ 1149').
- Perf'd 5 1/2" csg at 339' and squeezed w/ 85 sx down 5 1/2" csg.
- Installed dry hole marker.

It is proposed to DO and CO to 3600', set 4 1/2" O.D. F.J.L w/ 1200 sx, perf Jalmat 2925' - 3410', acidize, frac, and return to production.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCED guidelines , a general permit , or an (attached) alternative OCD-approved plan .

OIL CONSERVATION DIVISION

Approved by:

Printed name: Steve Hartman



Title:

Title: Engineer

Approval Date:

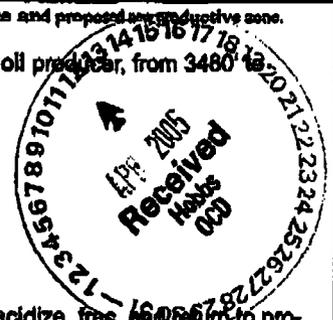
Expiration Date:

E-mail Address: dhoo@swbell.net

Date: 04/11/2005

Phone: (432) 684-4011

Conditions of Approval Attached



Permit Expires 1 Year From Approval Date Unless Drilling Underway

District I
PO Box 1880, Hobbs, NM 88241-1880

District II
811 South Park, Artesia, NM 86210

District III
1000 Rio Grande Rd., Aztec, NM 87410

District IV
2948 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-09480		Pool Code 79240	Pool Name Jalmat (T-Y-7R)
Property Code 33240	Property Name State "LMT"		Well Number 8
OBRID No. 6473	Operator Name Doyle Hartman		Elevation 3327' GR

Surface Location

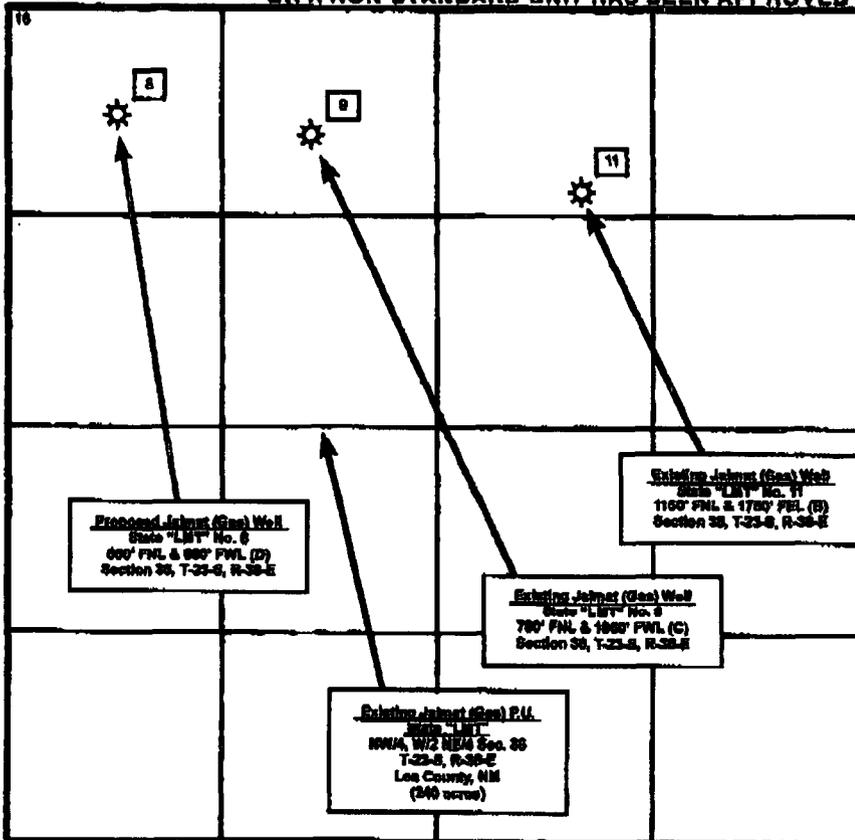
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
D	36	23S	36E		660'	North	660'	West	Lea

Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
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Dedicated Acres 240	Joint or Infill Y	Consolidation Code	Order No. Administrative Order NSP-1517-A (SD), Approved 11/05/2004
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



OPERATOR CERTIFICATION

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

[Handwritten Signature]

Signature
Steve Hartman
Printed Name
Engineer
Title
04/11/2005
Date

SURVEYOR CERTIFICATION

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

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

TRANSACTION REPORT

P.01

APR-12-2005 TUE 11:09 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
APR-12	11:07 AM	15053939758	2' 09"	6	RECEIVE	OK		