



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 25, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

RE: 640-acre non-standard gas spacing and proration unit, Jalmat Gas Pool, Lea County, New Mexico, comprising the N/2 and SW/4 of Section 13, and the NE/4 of Section 14, Township 23 South, Range 36 East, approved by Division Order No. R-9073, paragraph 13 on Exhibit A.

Dear Mr. Cherski:

We are in receipt of a letter from Conoco, Inc., dated January 16, 1990, objecting to your application for an unorthodox Jalmat Gas well location for your State "A" a/c-1 Well No. 66 which is to be included in the aforementioned 640-acre proration unit. A similar application for the No. 75 well was submitted at the same time as the No. 66 application. Upon reviewing further matters pertaining to the 640-acre unit, I found that the provisions of Division Order NSL-2728, which authorized the non-standard gas well location for the State "A" a/c-1 Well No. 71, requiring the amendment of this administrative order to reflect the proper non-standard gas proration unit has not been met.

It is obvious that matters within the subject unit area have become somewhat involved and complicated and that notice to the offsetting operators for the No. 66 application was confusing.

The only recourse for the Division at this time is to set all matters pertaining to the subject non-standard proration unit to hearing before a Division Examiner. The call of this case will be as follows:

"Application of Hal J. Rasmussen Operating Inc. for two unorthodox gas well locations, simultaneous dedication, and to amend, in part, Division Order No. R-9073 and Administrative Order NSL-2728, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following two unorthodox gas well locations to be included within the previously approved

Hal J. Rasmussen Operating, Inc.
January 25, 1990
Page 2

640-acre non-standard Jalmat gas spacing and proration unit (Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and SW/4 of Section 13 and NE/4 of Section 14, Township 23 South, Range 36 East:

State "A" a/c-1 Well No. 66
660' FN & WL (Unit D); and

State "A" a/c-1 Well No. 75
1980' FN & WL (Unit F),

both located in said Section 13.

Applicant also seeks to amend Division Administrative Order NSL-2728, dated December 7, 1989 to reflect the proper dedicated acreage for the State "A" a/c-1 Well No. 71, located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" a/c-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, N, D, M, and F, respectively, in said Section 13 and to the State "A" a/c-1 Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14."

The above-described matter will be set for the next available hearing scheduled for February 21, 1990. Please submit proper notice as required by General Rule 1207(a)2.

If you should have any questions concerning this matter, you may contact me at (505) 827-5811.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Conoco, Inc. - Hugh Ingram
Oil Conservation Division - Hobbs



Hobbs Division
Exploration and Production, North America

Conoco Inc.
726 East Michigan
P.O. Box 460
Hobbs, NM 88241
(505) 397-5800

OIL CONSERVATION DIVISION
RECEIVED

'90 JAN 19 AM 9 28

January 16, 1990

Mr. Jay Cherski
Hal J. Rasmussen Operating, Inc.
Six Desta Drive, Suite 5850
Midland, Texas 79705

Dear Mr. Cherski:

In regard to your waiver letters addressed to Conoco dated December 20, 1989 and pertaining to the recompletion of certain wells to the Jalmat, we have approved all waivers except one. Please be advised however, that Conoco does not offset every one of the wells listed for recompletion.

The one waiver which we have withheld approval is for your State "A" a/c Well No. 66. The reason for this is that the completion of Well Nos. 66 and 75, in addition to the already completed Well No. 20 makes three Jalmat completions in the NW/4 of Section 13, and there is no mention of the size proration unit that you propose to assign to these wells. If, for example, you intend to assign 320 or even 480 acres to these three wells, any one of which would be allowed to produce that much allowable under simultaneous dedication, then Well No. 66 could drain Conoco's acreage in the S/2 SW/4 of Section 12. On the other hand, if you only dedicate the NW/4 to these wells, then Conoco would not have any concern for completing Well No. 66 in the Jalmat Pool.

Yours very truly,


Hugh Ingram
Conservation Coordinator

/tm
4.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 7, 1989

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

Administrative Order NSL-2728

Dear Mr Cherski:

Reference is made to your application of November 7, 1989 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 and SW/4 of Section 13, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order R-4116, dated March 10, 1971, which also permitted the simultaneous dedication of the said GPU to the State "A" A/C-1 Well Nos. 20, 21 and 22, located, respectively in Units C, H and N of said Section 13.

It is our understanding that the subject well in this application is currently temporarily abandoned in the Langlie-Mattix Pool and will be plugged back to the Jalmat Gas Pool upon issuance of this order.

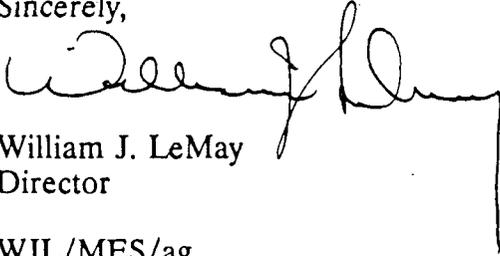
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

State "A" A/C-1 Well No. 71
660' FS & WL (Unit M) of said
Section 13.

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well No. 71 with the State "A" A/C-1 Well Nos. 20, 21 and 22; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

Said Section 13 was the subject, in part, of Division Case No. 9775, whereby the applicant is seeking the rededication of acreage in the Jalmat Gas Pool. If, subsequent to an order issued in said Case No. 9775, the subject well in this administrative order is affected and placed in a redesignated Jalmat spacing unit, and such redesignation results in an unorthodox well location for the No. 71 well, the operator shall seek an amendment to this administrative order to properly reflect such changes. Said amendment shall be filed within 90 days from the date of issuance of an order in said Case No. 9775 and pursuant to Rule 2(c) of said Order No. R-8170, as amended.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
NM State Land Office - Santa Fe
File: Case No. 9775



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

NSL-2728

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 8, 1989

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: William Scott Ramsey

RE: *Simultaneous Dedication - Jalmat
Pool, Lea County, New Mexico, State
"A" A/C-1 Well Nos. 49, (71), 82, 88
and 89, Division Administrative Order
Nos. 2727 through 2731.*

Dear Mr. Ramsey:

The provisions for amending the present administrative orders issued for the subject wells require that all procedures in the Jalmat Gas Pool Rules for unorthodox gas well locations be followed. Please submit proof of notification to all offset operators of each of the subject amendments.

Sincerely,

Michael E. Stogner
Petroleum Engineer

cc: Oil Conservation Division - Hobbs
Files: NSL-2727 through 2731

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

November 7, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico 87501

RE: Administrative approval of an Unorthodox Well Location
State "A" a/c 1 # 71
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. LeMay,

Hal J. Rasmussen Operating Inc. respectfully requests administrative approval to recomplete the State "A" a/c 1 # 71, at an unorthodox well location, located 660 ft FSL and 660 ft FWL of Section 13, T23S R36E, Lea County, New Mexico. The State "A" a/c 1 # 71 is currently TA'd in the Langlie Mattix Pool.

The offset operators have been notified of this application by certified mail. Copies of the return receipts will be forwarded when received. Attached is a plat showing the location of the State "A" a/c 1 # 71, the proration unit the well will be included in, and the offset operators.

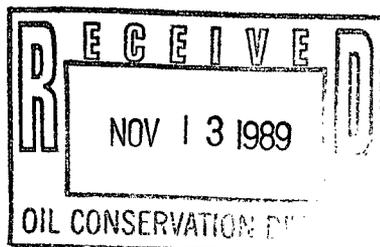
If you need any further information regarding this request, please call me at (915) 687-1664.

Thank-you for your consideration.

Sincerely,


Jay Cherski

CC: New Mexico Oil Conservation Division District 1 Office
P.O. Box 1980
Hobbs, New Mexico 88240



HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

OIL CONSERVATION DIVISION
RECEIVED

'89 DEC 5 AM 11 09

Mr. Jim Moring
Parker & Parsley
P.O. 3178
Midland, Texas

11/07/89

79702

Dear Mr. Moring:

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplate the State "A" a/c 1 well no. 71, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FSL and 660 feet FWL of Section 10, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

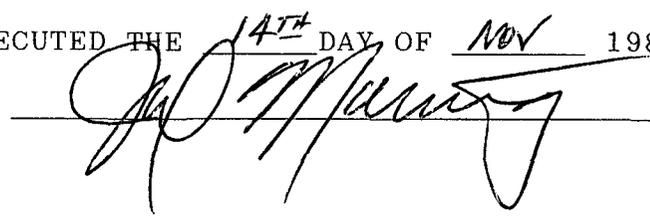
Sincerely,

Hal J Rasmussen Operating, Inc.



Jay Cherski

EXECUTED THE 14TH DAY OF NOV 1989

BY 

HAL J. RASMUSSEN OPERATING, INC. OIL CONSERVATION DIVISION
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

RECEIVED

'89 DEC 5 AM 11 09

Mr. Hugh Ingram
Conoco
P.O. Box 460
Hobbs, New Mexico

11/07/89

88240

Dear Mr. Ingram:

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplete the State "A" a/c 1 well no. 71, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FSL and 660 feet FWL of Section 13, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

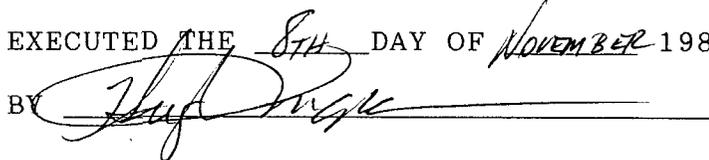
Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 8TH DAY OF NOVEMBER 1989

BY 

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850 OIL CONSERVATION DIVISION
MIDLAND, TEXAS 79705
(915) 687-1664

RECEIVED

'89 DEC 5 AM 11 09

Mr. Jim Cramer
Meridian Oil Corp.
21 Desta Drive
Midland, Texas

11/07/89

79705

Dear Mr. Cramer,

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplate the State "A" a/c 1 well no. 71, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FSL and 660 feet FWL of Section 13, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 15th DAY OF NOV 1989

BY Charles W. Brown Sr. Staff Resv. Eng.

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

Mr. Al Bohling
Chevron
P.O. Box 670
Hobbs, New Mexico

11/07/89

88240

Dear Mr. Bohling,

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplate the State "A" a/c 1 well no. 71, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FSL and 660 feet FWL of Section 13, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 15TH DAY OF Nov. 1989

BY Alan W. Bohling
Special Projects Engineer
Chevron U.S.A. Inc.
Hobbs Division



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

NSL-2728

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 8, 1989

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: William Scott Ramsey

*RE: Simultaneous Dedication - Jalmat
Pool, Lea County, New Mexico, State
"A" A/C-1 Well Nos. 49, (71), 82, 88
and 89, Division Administrative Order
Nos. 2727 through 2731.*

Dear Mr. Ramsey:

The provisions for amending the present administrative orders issued for the subject wells require that all procedures in the Jalmat Gas Pool Rules for unorthodox gas well locations be followed. Please submit proof of notification to all offset operators of each of the subject amendments.

Sincerely,

Michael E. Stogner
Petroleum Engineer

cc: Oil Conservation Division - Hobbs
Files: NSL-2727 through 2731

HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

December 6, 1989

Oil conservation Division
State Land Office Bldg.
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Attn: Michael E. Stogner
Engineer

Re: Simultaneous Dedication
Jalmat Pool
Lea County, New Mexico

Dear Mr. Stogner:

By this letter, we are requesting that the revised proration units as stated in Case No. 9775 heard on October 4, 1989 be used for the Simultaneous Dedication of Acreage to the following unorthodox well locations:

State A A/C 1 #89	Section 10-23-36	NSL-2721
State A A/C 1 #49	Section 10-23-36	NSL-2729
State A A/C 1 #88	Section 10-23-36	NSL-2727
State A A/C 1 #71	Section 13-23-36	NSL-2728
State A A/C 1 #82	Section 15-23-26	NSL-2730

*will be
handled concurrently
w/ #75*

Find enclosed plats used in the referenced case and revised C-102's using the new proration units.

If you have any questions, please don't hesitate to call.
Your attention to this matter is greatly appreciated.

Sincerely,
Hal J. Rasmussen Operating, Inc.

Wm. Scott Ramsey
Wm. Scott Ramsey
General Manager



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

December 8, 1989

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: William Scott Ramsey

*RE: Simultaneous Dedication - Jalmat
Pool, Lea County, New Mexico. State
"A" A/C-1 Well Nos. 49, 71, 82, 88
and 89, Division Administrative Order
Nos. 2727 through 2731.*

Dear Mr. Ramsey:

The provisions for amending the present administrative orders issued for the subject wells require that all procedures in the Jalmat Gas Pool Rules for unorthodox gas well locations be followed. Please submit proof of notification to all offset operators of each of the subject amendments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Petroleum Engineer

cc: Oil Conservation Division - Hobbs
Files: NSL-2727 through 2731

HAL J. RASMUSSEN OPERATING, INC. OIL CONSERVATION DIVISION
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

RECEIVED

'90 JAN 2 PM 1 16

December 20, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Sante Fe, New Mexico 87501

(2728)

RE: Administrative Approval of an Unorthodox Well Location
State "A" a/c 1 # 75
Jalmat Gas Pool
Lea County, New Mexico

Dear Mr. LeMay,

Hal J. Rasmussen Operating Inc. respectfully requests administrative approval to recomplete the State A a/c 1 # 75 at an unorthodox well location, located 1980 ft FNL and 1980 ft FWL of Section 13, T23S R36E, Lea County, New Mexico. The State "A" a/c 1 # 75 is currently TA'd in the Langlie Mattix Pool.

The offset operators have been notified of this application by certified mail. Copies of the return receipts will be forwarded when received. Attached is a plat showing the location of the State "A" a/c 1 # 75, and the proration unit the well will be included in. A list of offset operators has also been attached.

If you need any further information regarding this request, please call me at (915) 687-1664.

Thank-you for your consideration.

Sincerely,



Jay Cherski

CC: New Mexico Oil Conservation Division District 1 Office
P.O. Box 1980
Hobbs, New Mexico 88240

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

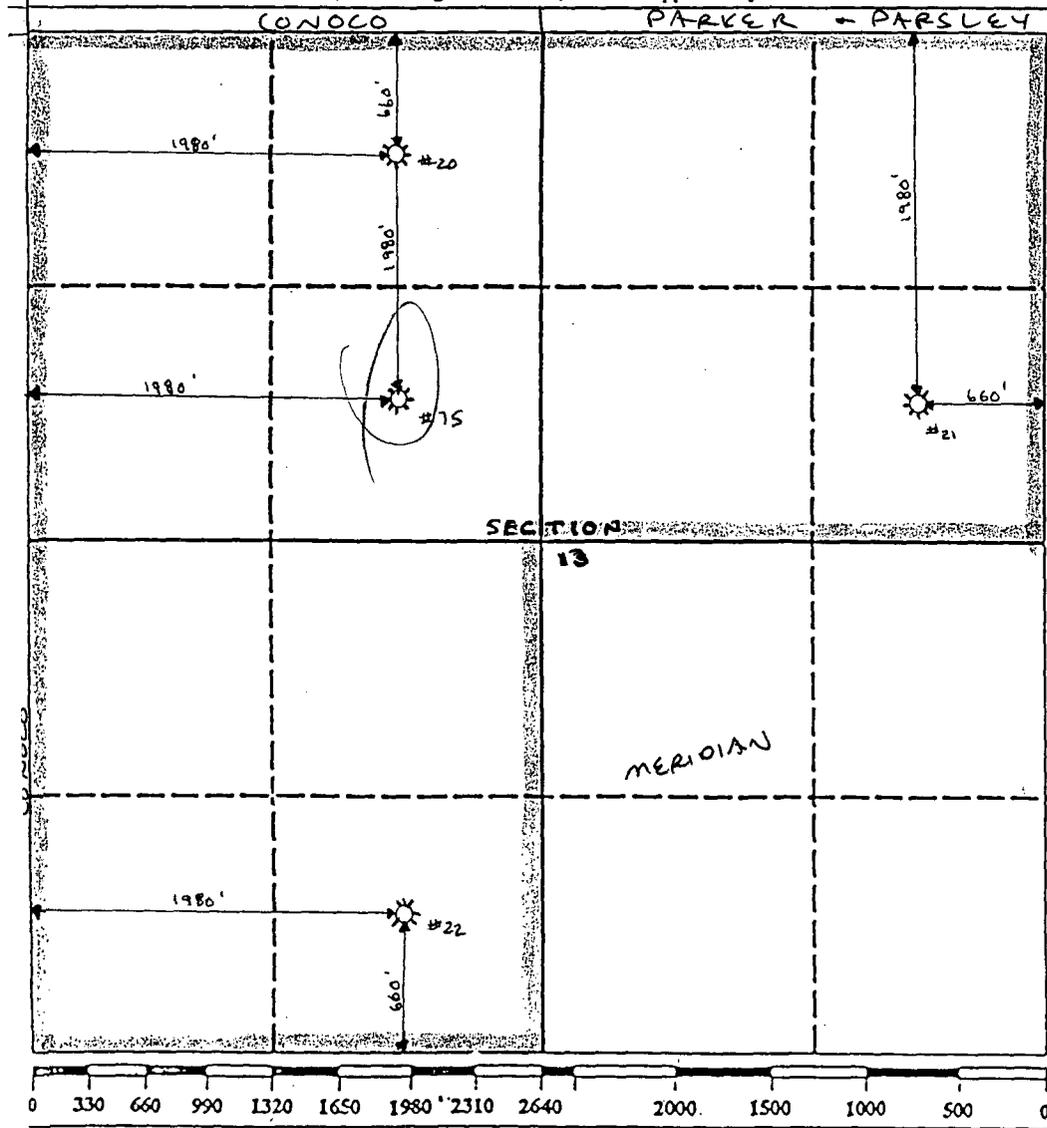
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hal J. Rasmussen Operating, Inc.		Lease State A A/C 1		Well No. 75
Unit Letter F	Section 13	Township 23 S	Range 36 E	County Lea
Actual Footage Location of Well: 1980 feet from the NORTH line and 1980 feet from the WEST line				
Ground level Elev. 3393	Producing Formation TANSILL - YATES	Pool Jalmat-TNSL-YTS-7R	Dedicated Acreage: 480 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, 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.

Signature: *Jay D. Cherski*
 Printed Name: Jay D. Cherski
 Position: Agent
 Company: Hal J. Rasmussen Operating, Inc.
 Date: 12/20/89

SURVEYOR CERTIFICATION
 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: _____
 Signature & Seal of Professional Surveyor: _____
 Certificate No.: _____

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

State A account 1 # 75

Meridian

Mr. Jim Cramer

21 Desta Drive

Midland , Texas 79705

Parker And Parsley

Mr. Jim Moring

P. O. Box 3178

Midland , Texas 79702

Conoco

Mr. Hugh Ingram

P. O. Box 460

Hobbs, New Mexico 88240

Chevron

Mr. Al Bohling

P. O. Box 670

Hobbs, New Mexico 88240

HAL J. RASMUSSEN OPERATING, INC.
SIX DESTA DRIVE, SUITE 5850
MIDLAND, TEXAS 79705
(915) 687-1664

Mr. Hugh Ingram
Conoco, Inc.
P.O. Box 460
Hobbs, New Mexico 88240

12/20/89

Dear Mr. Ingram,

In accordance with New Mexico Oil Conservation Division regulations, you, as an offset operator, are hereby notified of Hal J Rasmussen Operating Inc.'s application to recomplate the State "A" a/c 1 well no. 75, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 1980 feet FNL and 1980 feet FWL of Section 13, T23S R36E, Lea County, New Mexico and is currently a TA'd Langlie Mattix well.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope to the attention of Jay Cherski. The second copy may be retained for your files.

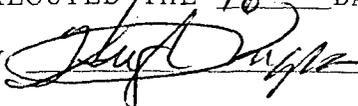
Thank you for your cooperation in this matter. If you have any questions, please contact Jay Cherski at (915) 687-1664.

Sincerely,

Hal J Rasmussen Operating, Inc.


Jay Cherski

EXECUTED THE 16TH DAY OF JAN. 1990

BY 

HAL J. RASMUSSEN OPERATING, INC. OIL CONSERVATION DIVISION
SIX DESTA DRIVE, SUITE 5850 RECEIVED
MIDLAND, TEXAS 79705
(915) 687-1664 '90 JAN 12 AM 8 57

January 9, 1990

Oil Conservation Division
Attention: Mr. William J. LeMay
P.O. Box 2088
Santa Fe, New Mexico 87504

Dear Mr. LeMay:

Enclosed are certified mail return receipts from the offset operators we notified concerning our recent applications for unorthodox locations.

If you have any questions or need any further information please let us know at (915) 687-1664. Thank you for your cooperation in this matter.

Sincerely,

HAL J. RASMUSSEN OPERATING, INC.



Jay Cherski

JC/nh

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

State A account 1 # 75

Meridian

Mr. Jim Cramer

21 Desta Drive

Midland , Texas 79705

Parker And Parsley

Mr. Jim Moring

P. O. Box 3178

Midland , Texas 79702

Conoco

Mr. Hugh Ingram

P. O. Box 460

Hobbs, New Mexico 88240

Chevron

Mr. Al Bohling

P. O. Box 670

Hobbs, New Mexico 88240

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mr. Jim Cramer
Meridian Oil Corp.
21 Desca Drive
Midland, Texas 79705

4. Article Number:
P 046 611 958

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address:
X _____

6. Signature - Agent:
X _____

7. Date of Delivery:
1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 • DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mr. Jim Moring
Parker & Parsley
P.O. Box 3178
Midland, Texas 79702

4. Article Number:
P 046 611 957

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address:
X _____

6. Signature - Agent:
X _____

7. Date of Delivery:
JAN 2 1990

8. Addressee's Address (ONLY if requested and fee paid)

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SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mr. Hugh Ingram
Comoco, Inc.
P.O. Box 460
Hobbs, New Mexico 88240

4. Article Number:
P 046 611 955

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

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5. Signature - Address:
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6. Signature - Agent:
X _____

7. Date of Delivery:
1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 • DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mr. James Head
Texaco
P.O. Box 728
Hobbs, New Mexico 88240

4. Article Number:
P 046 611 952

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address:
X _____

6. Signature - Agent:
X _____

7. Date of Delivery:
1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

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SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mr. Al Bohling
Chevron
P.O. Box 670
Hobbs, New Mexico 88240

4. Article Number:
P 046 611 954

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address:
X _____

6. Signature - Agent:
X _____

7. Date of Delivery:
1-2-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 • DOMESTIC RETURN RECEIPT

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
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1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Ms. Cindy Ellis
Arco
P.O. Box 1610
Midland, Texas 79702

4. Article Number:
P 046 611 956

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address:
X _____

6. Signature - Agent:
X _____

7. Date of Delivery:
JAN 2 1990

8. Addressee's Address (ONLY if requested and fee paid)

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SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:
Mr. K. A. Freeman
Tahoe Energy
4402 W. Industrial
Midland, Texas 79703

4. Article Number:
P 046 611 953

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address:
X _____

6. Signature - Agent:
X _____

7. Date of Delivery:
1-2-89

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 • DOMESTIC RETURN RECEIPT



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 10, 1990

Hal J. Rasmussen Operating, Inc.
Six Desta Drive
Suite 5850
Midland, TX 79705

Attention: Jay Cherski

*RE: Administrative Application for
Unorthodox Gas Well Locations; State
"A" a/c Well Nos. 66 and 75, Units
D and F, Section 13, Township 23
South, Range 36 East, NMPM, Jalmat
Gas Pool, Lea County, New Mexico.*

Dear Mr. Cherski:

Your application dated December 20, 1989 does not appear to reflect the correct acreage dedication to the Jalmat Gas Pool production in Section 13. By Division Order No. R-9073, dated December 14, 1989, a 640-acre non-standard gas spacing and proration unit comprising the N/2 and SW/4 of Section 13 and the NE/4 of Section 14 was authorized.

The subject filings show a 480-acre unit comprising just the N/2 and SW/4 of Section 13. Therefore, please submit an amended application for both wells which reflects proper development in the area. Please note however that notice to the affected offsetting operators has been properly met pursuant to Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended. Therefore, no adjustments to your notice will be required.

If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs

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. 9874
ORDER NO. R-9073-A

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. FOR TWO UNORTHODOX
GAS WELL LOCATIONS AND SIMULTANEOUS
DEDICATION, AND TO AMEND, IN PART,
DIVISION ORDER NO. R-9073 AND
ADMINISTRATIVE ORDER NSL-2728,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of February, 1990, 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) By Division Administrative Order NSL-2728, dated December 7, 1989, an unorthodox gas well location was approved for Hal J. Rasmussen Operating Inc.'s State "A" A/C-1 Well No. 71 to be drilled 660 feet from the South and West lines (Unit M) of Section 13, Township 23 South, Range 36 East, Jalmat Gas Pool, NMPM, Lea County, New Mexico. Said order also authorized the simultaneous dedication of Jalmat Gas production from the State "A" A/C-1 Well Nos. 20, 21, 22 and 71, located in Units C, H, N and M of said Section 13, respectively, to the then 480-acre non-standard gas spacing and proration unit (GPU) comprising the N/2 and SW/4 of said Section 13.

Case No. 9874
Order No. R-9073-A
Page No. 2

(3) By Division Order No. R-9073, dated December 14, 1989 (Paragraph No. 11 of Exhibit "A"), a 640-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool was established comprising the N/2 and SW/4 of Section 13 and the NE/4 of Section 14, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, said unit to be simultaneously dedicated to the State "A" A/C-1 Well Nos. 20, 21 and 22 located in Units C, H and N, respectively, of said Section 13 and Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14.

(4) At this time the applicant, Hal J. Rasmussen Operating Inc., seeks approval to recomplete the following two wells from the Langlie-Mattix Pool to the Jalmat Gas Pool, both wells are located at unorthodox gas well locations for said Jalmat Gas Pool within the previously approved 640-acre non-standard gas spacing and proration unit, as described above:

State "A" A/C-1 Well No. 66
660 feet from the North and West lines
(Unit D); and

State "A" A/C-1 Well No. 75
1980 feet from the North and West lines
(Unit F), both located in said Section 13.

(5) Applicant also seeks to amend Division Administrative Order NSL-2728 to reflect the proper dedicated acreage for the State "A" A/C-1 Well No. 71, located at an unorthodox Jalmat gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" A/C-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, N, D, M and F, respectively, in Section 13 and Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14.

(6) Both the State "A" A/C-1 Well Nos. 66 and 75 were originally drilled and completed in the last four months of 1959 as Langlie-Mattix Seven Rivers Queen Grayburg San Andres oil producers both at standard oil well locations.

(7) Since both wells have depleted the Langlie-Mattix reserves underlying each respective drill tract, the applicant proposes to recomplete both wells in the Jalmat Gas Pool in order to help drain the remaining gas reserves underlying the above-described 640-acre non-standard gas proration unit.

(8) No offset operators or interested parties appeared at the hearing in opposition to this matter.

Case No. 9874
 Order No. R-9073-A
 Page No. 3

(9) Approval of the proposed recompletions, unorthodox gas well locations and simultaneous dedication will afford the applicant to produce its just and equitable share of the gas in the subject pool, will prevent the 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.

(10) To reduce the number of orders applicable in this proration unit, existing approvals should be consolidated with this application in order to lessen confusion; therefore, Division Administrative Order NSL-2728 should be superceded by this order and Paragraph No. (11) in Exhibit "A" attached to Order No. R-9073 should be amended to include the State "A" A/C-1 Well Nos. ~~66, 71 and 75.~~

IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order NSL-2728, dated December 7, 1989 is hereby superceded until further notice.

(2) Paragraph No. (11) of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same, is hereby amended to read in its entirety as follows:

"(11) Section 13: N/2 and SW/4 of Section 14: NE/4 comprising 640 acres in State "A" A/C-1.

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL
Well No. 66	660' FN & WL	Unit D	NSL
Well No. 71	660' FS & WL	Unit M	NSL
Well No. 75	1980' FN & WL	Unit F	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL"

(3) All other provisions of said Order No. R-9073 shall remain in full force and effect until further notice.

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

Case No. 9874
Order No. R-9073-A
Page No. 4

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

SEAL

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. 9775
ORDER NO. R-9073

APPLICATION OF HAL J. RASMUSSEN
OPERATING INC. FOR NON-STANDARD
GAS PRORATION UNITS, UNORTHODOX
GAS WELL LOCATIONS, SIMULTANEOUS
DEDICATION AND SPECIAL GAS METERING
PROVISIONS, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of December, 1989, 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 hearing this case was consolidated with Division Case Nos. 9774 and 9776 for the purpose of testimony.
- (3) The applicant in this matter, Hal J. Rasmussen Operating Inc., is the operator of its State "A" Lease Accounts 1 and 2 (State of New Mexico Oil and Gas Lease No. A-983) and State "A" Lease Account 3 (State of New Mexico Oil and Gas Lease No. B-1484) covering mineral rights under certain lands in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico.
- (4) The interests under both of said state leases are individually common throughout.
- (5) The Jalmat Gas Pool covers the acreage which is the subject of this

Case No. 9775
Order No. R-9073
Page No. 2

application and is governed by Special Rules and Regulations, as promulgated by Division Order No. R-8170, as amended, which provide for 640-acre spacing and designated well locations.

(6) Applicant now seeks to redesignate the existing gas spacing and proration units in the Jalmat Gas Pool on their acreage by the formation of 16 non-standard gas proration units and one standard 640-acre gas proration unit in the Jalmat Gas Pool as further described in Exhibit "A" attached hereto and made a part hereof.

(7) The applicant also seeks approval of all unorthodox gas well locations for the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A."

(8) The applicant further seeks special metering provisions for Jalmat gas production whereby the operator would meter the total gas production from each of the 17 aforementioned units and allocate this production back to each well on its respective unit by means of a periodic testing of the wells thereon.

(9) The applicant has recently assumed gas purchaser/transporter responsibility for the acreage which is the subject of this order and by this application seeks to reduce production and transportation costs in the area and to more efficiently operate its properties by consolidating production facilities and eliminating unnecessary equipment.

(10) Each of the aforementioned units may reasonably be presumed productive of gas from the Jalmat Gas Pool and each of the non-standard gas proration units can be efficiently and economically drained and developed by the aforementioned wells.

(11) The applicant further testified that approval of the subject application will lower costs and permit the production of gas reserves within the Jalmat Gas Pool underlying this area which would otherwise not be recovered thereby preventing waste.

(12) Doyle Hartman, an operator in the Jalmat Gas Pool, appeared and objected to this application; however, there were no offsetting operators objecting to this application.

(13) The operator of each of the aforementioned Jalmat gas spacing and proration units should allocate the production to each well on its respective proration unit on the basis of well tests. The applicant proposed that this testing procedure will provide that one of the wells on the proration unit will be flowing through the testing meter for a 48-hour period with each well being tested in turn throughout the month. The remaining wells on the proration unit will be flowing through a field production meter. The daily amount of gas credited to the wells on the unit would be the total production

Case No. 9775
Order No. R-9073
Page No. 3

through the test meter and through the field meter. The production from individual proration units will be allocated back to each of the wells on that unit based upon the data derived from the periodic testing through the test meter.

(14) The applicant should file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other report or form required to be filed as operator of the proration unit and as transporter for the wells involved herein.

(15) The Division should be empowered to administratively rescind any portion of this order or require that a particular well or wells be metered individually if it should appear that such action would prevent waste and protect correlative rights.

(16) The area of the Hal J. Rasmussen Operating, Inc. State "A" Account 1, 2 and 3 Leases has been the subject of numerous orders establishing and re-aligning non-standard and standard Jalmat Gas Pool gas proration and spacing units as well as simultaneously dedicating a variety of wells at orthodox and unorthodox locations thereto. On Exhibit "B", attached hereto and made a part hereof, is a listing of all Division Orders known to have been issued relative to the property which is the subject of this hearing. These orders should be superceded to the extent that they are inconsistent with any provision of this order.

(17) Should it be found that any additional orders exist that are contradictory to any such order issued in this case, then such order should be superceded in a like manner as described above.

(18) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the 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 should otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Hal J. Rasmussen Operating, Inc. to redesignate acreage in certain existing gas spacing and proration units in the Jalmat Gas Pool in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico, resulting in the formation of a standard 640-acre gas spacing and proration unit and 16 non-standard gas units, as further described in Exhibit "A", attached hereto and made a part hereof, is hereby approved.

Case No. 9775
Order No. R-9073
Page No. 4

IT IS FURTHER ORDERED THAT:

(2) The unorthodox gas well locations for all of the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A", is also approved.

FURTHERMORE, IT IS ORDERED THAT:

(3) Special metering provisions for Jalmat gas production within each of the aforementioned units, as described in Finding Paragraph No. (13) above, is hereby approved.

(4) The applicant shall file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other reports or forms required to be filed as operator of each proration unit and as transporter for the wells involved herein.

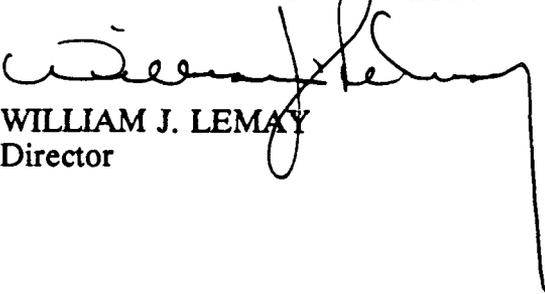
(5) The Division may administratively rescind any portion of this order or require a particular well or wells be metered individually if it should appear necessary to prevent waste and protect correlative rights.

(6) All known and subsequent Division Orders issued relative to any property which is the subject of this hearing (see Exhibit "B" attached hereto and made a part hereof) shall be superceded to the extent that they are inconsistent with any provision of this order.

(7) 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

EXHIBIT "A"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

PROPOSED NON-STANDARD JALMAT GAS PRORATION UNITS AND
JALMAT GAS WELL LOCATIONS

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

- 1) Section 5: Lots 3 and 4, S/2 NW/4, and S/2 comprising 480.50 acres, more or less, in State "A" A/C-2.

Well No. 44	1980' FN & WL	Unit F	NSL
Well No. 41	660' FS & WL	Unit M	NSL
Well No. 27	660' FS & EL	Unit P	NSL

- 2) Section 7: Lots 3 and 4, N/2 NE/4, SE/4 NE/4, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 comprising 393.06 acres, more or less, in State "A" A/C-2.

Well No. 5	660' FN & EL	Unit A	NSL
Well No. 12	1980' FSL & 660' FEL	Unit I	NSL
Well No. 8	660' FS & EL	Unit P	NSL

- 3) Section 8: All (*Standard 640-acre unit*) in State "A" A/C-2.

Well No. 49	660' FNL & 1980' FWL	Unit C	NSL
Well No. 43	1650' FNL & 990' FEL	Unit H	NSL
Well No. 56	1980' FS & EL	Unit J	Standard Location

- 4) Section 9: N/2 and SW/4 comprising 480 acres in State "A" A/C-2.

Well No. 40	990' FN & EL	Unit A	Standard Location
Well No. 63	990' FNL & 2310' FWL	Unit C	Standard Location
Well No. 38	1980' FS & WL	Unit K	NSL

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

- 5) Section 3: S/2 comprising 320 acres in State "A" A/C-1.

Well No. 30	1650' FSL & 990' FEL	Unit I	NSL
Well No. 35	1650' FSL & 990' FWL	Unit L	NSL

Case No. 9775
 Order No. R-9073
 Page No. 6

- 6) Section 4: Lots 1, 2, 3 and 4, and S/2 N/2 comprising 327.25 acres, more or less, in State "A" A/C-1.

Well No. 23	660' FNL & 2310' FEL	Unit B	Standard Location
Well No. 15	1980' FN & WL	Unit F	Standard Location
Well No. 87	1980' FN & EL	Unit G	Standard Location

- 7) Section 4: SW/4 and Section 9: N/2 NW/4, SW/4 NW/4, and SW/4 comprising 440 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

(Section 9)

Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL

- 8) Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4 and Section 10: W/2 comprising 480 acres in State "A" A/C-1.

(Section 10)

Well No. 37	1650' FN & WL	Unit F	Standard Location
Well No. 38	990' FS & WL	Unit M	Standard Location

- 9) Section 10: E/2 comprising 320 acres in State "A" A/C-3.

Well No. 1	990' FN & EL	Unit A	Standard Location
Well No. 2	1650' FSL & 990' FEL	Unit I	Standard Location

- 10) Section 11: N/2 and SW/4 comprising 480 acres in State "A" A/C-1.

Well No. 16	660' FN & EL	Unit A	NSL
Well No. 29	990' FNL & 1650' FWL	Unit C	Standard Location
Well No. 34	1650' FS & WL	Unit K	Standard Location

Case No. 9775
 Order No. R-9073
 Page No. 7

~~11) Section 13: N/2 and SW/4 and Section 14: NE/4 comprising 640 acres in State "A" A/C-1.~~

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL

12) Section 14: NW/4 and Section 15: N/2 comprising 480 acres in State "A" A/C-1.

(Section 14)

Well No. 28	1650' FN & WL	Unit F	Standard Location
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(Section 15)

Well No. 33	1650' FN & WL	Unit F	Standard Location
Well No. 31	1650' FN & 990' FEL	Unit H	Standard Location

13) Section 17: SE/4, Section 20: NE/4, and Section 21: N/2 NW/4 and SW/4 NW/4 comprising 440 acres in State "A" A/C-1.

(Section 17)

Well No. 39	1980' FS & EL	Unit J	NSL
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(Section 20)

Well No. 5 (Currently P & A'd)	1320' FNL & 660' FEL	Units A/H	NSL
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(Section 21)

Well No. 4	330' FNL & 1660' FWL	Unit C	NSL
Well No. 3	1650' FNL & 330' FWL	Unit E	NSL

Case No. 9775
 Order No. R-9073
 Page No. 8

- 14) Section 20: SE/4 and Section 21: NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 comprising 320 acres in State "A" A/C-2.

(Section 21)

Well No. 8	660' FSL & 1980' FEL	Unit O	NSL
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- 15) Section 22: NE/4 NW/4, S/2 NW/4, and SW/4 comprising 280 acres in State "A" A/C-1.

Well No. 94	660' FNL & 1980' FWL	Unit C	NSL
Well No. 19	1650' FNL & 330' FWL	Unit E	NSL
Well No. 97	1980' FN & WL	Unit F	Standard Location
Well No. 1	330' FSL & 2310' FWL	Unit N	NSL

- 16) Section 23: N/2 comprising 320 acres in State "A" A/C-1.

Well No. 27	1650' FN & WL	Unit F	Standard Location
Well No. 26	1650' FN & EL	Unit G	Standard Location
Well No. 105	2080' FNL & 660' FEL	Unit H	NSL

- 17) Section 24: W/2 and SE/4 comprising 480 acres in State "A" A/C-1.

Well No. 53	1980' FNL & 660' FWL	Unit E	NSL
Well No. 25	1650' FN & WL	Unit F	Standard Location
Well No. 32	1650' FS & EL	Unit J	Standard Location
Well No. 24	990' FSL & 1650' FWL	Unit N	Standard Location

EXHIBIT "B"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

DIVISION ORDERS ISSUED RELATIVE TO THE PROPERTY
WHICH IS THE SUBJECT OF THIS HEARING.

Division Orders issued
prior to hearing

R-634
R-1364
R-2504
R-3188
R-3209
R-3264
R-3892
R-3893
R-4116
R-4361, as amended
R-4484

Division Administrative
Orders

NSP-406
NSP-518
NSP-614
NSP-615
NSP-1044
NSP-1108
NSL-1219

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

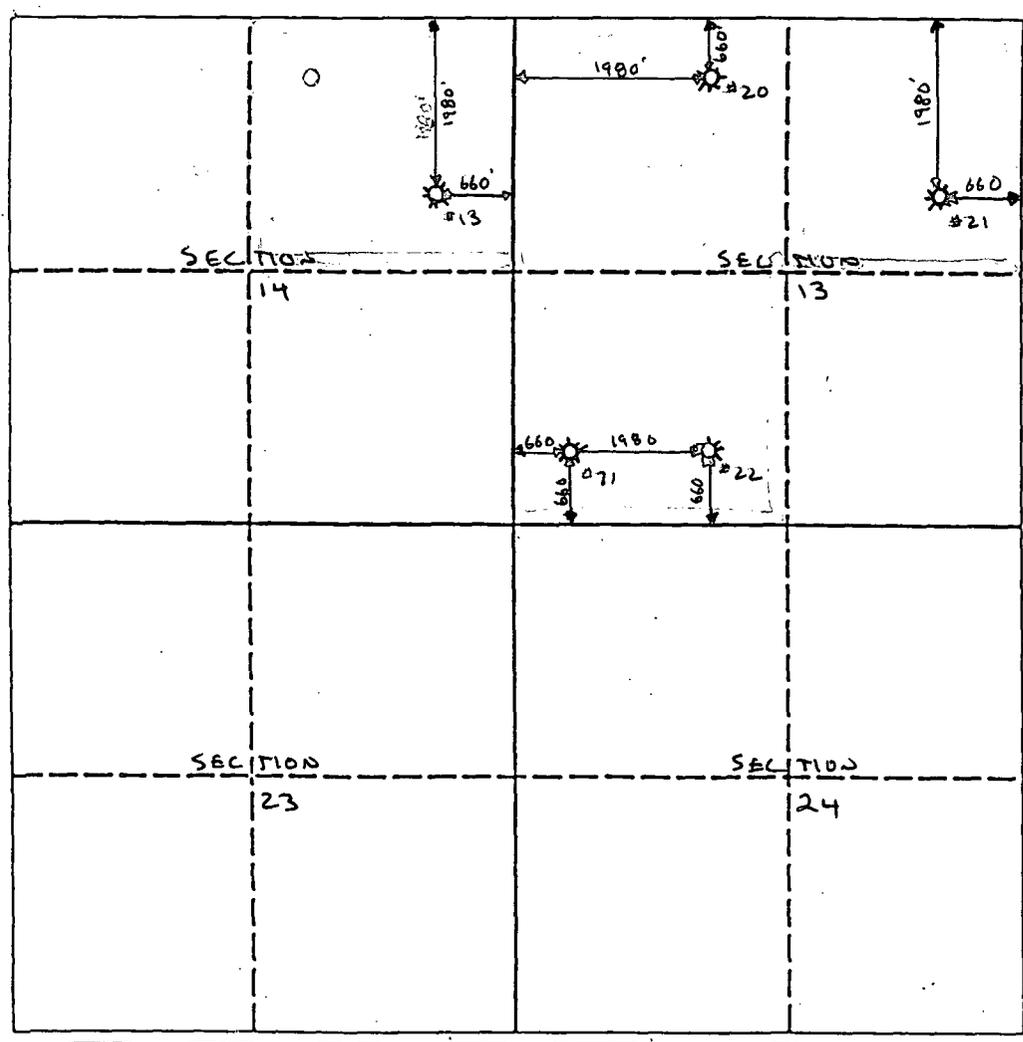
WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator Hal J. Rasmussen Operating, Inc.		Lease State A A/C 1		Well No. 71
Unit Letter M	Section 13	Township 23 S	Range 36 E	County Lea

Actual Footage Location of Well:
 660 feet from the SOUTH line and 660 feet from the WEST line

Ground level Elev. 3371	Producing Formation TNSL-YTS-7R	Pool Jalmat-TNSL-YTS-7R	Dedicated Acreage: 640 Acres
----------------------------	------------------------------------	----------------------------	---------------------------------

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.

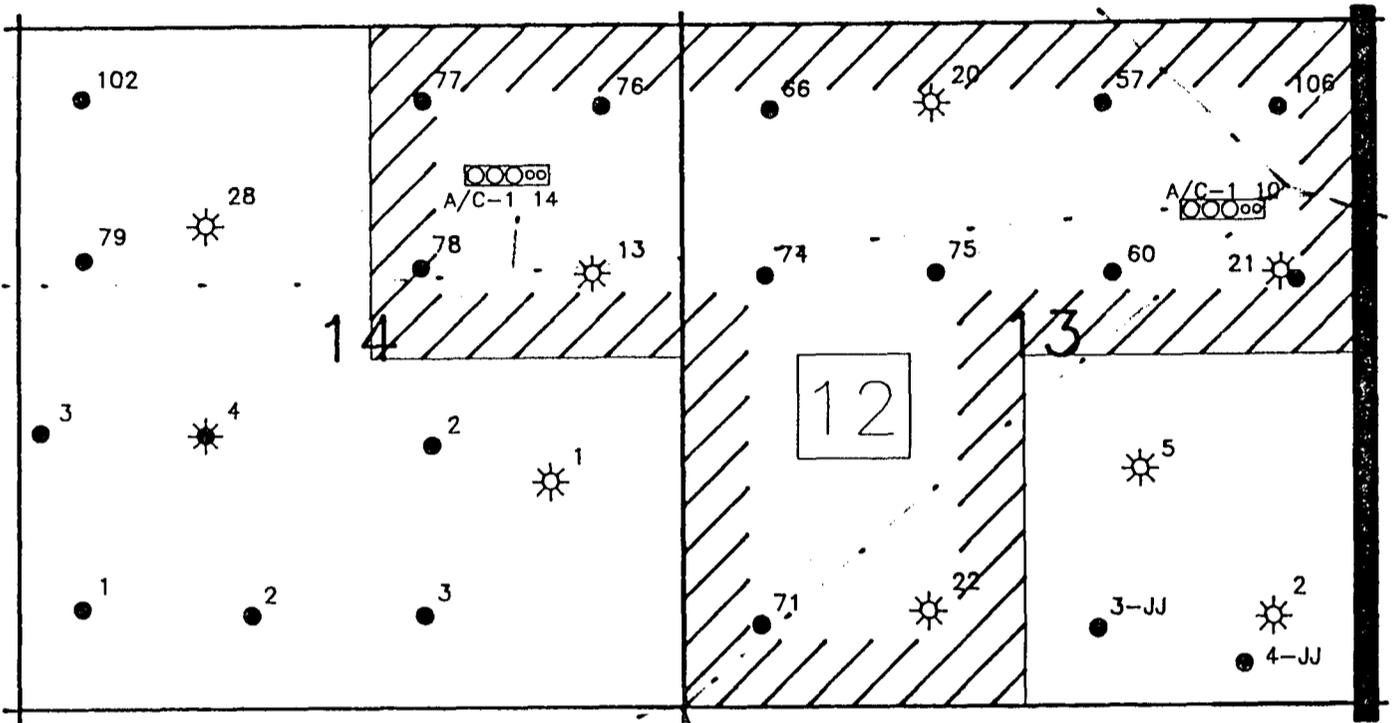


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jay Cherski*
 Printed Name: Jay D. Cherski
 Position: Agent
 Company: Hal J. Rasmussen Operating, Inc.
 Date: 12/6/89

SURVEYOR CERTIFICATION
 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: _____
 Signature & Seal of Professional Surveyor: _____
 Certificate No.: _____



HAL J. RASMUSSEN OPERATING
 LEA CO., N.M. OPERATIONS
 STATE "A" A/C 1
 B-983
 T-23-S, R-36-E
 SECTION 13,14
 640 ACRES

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

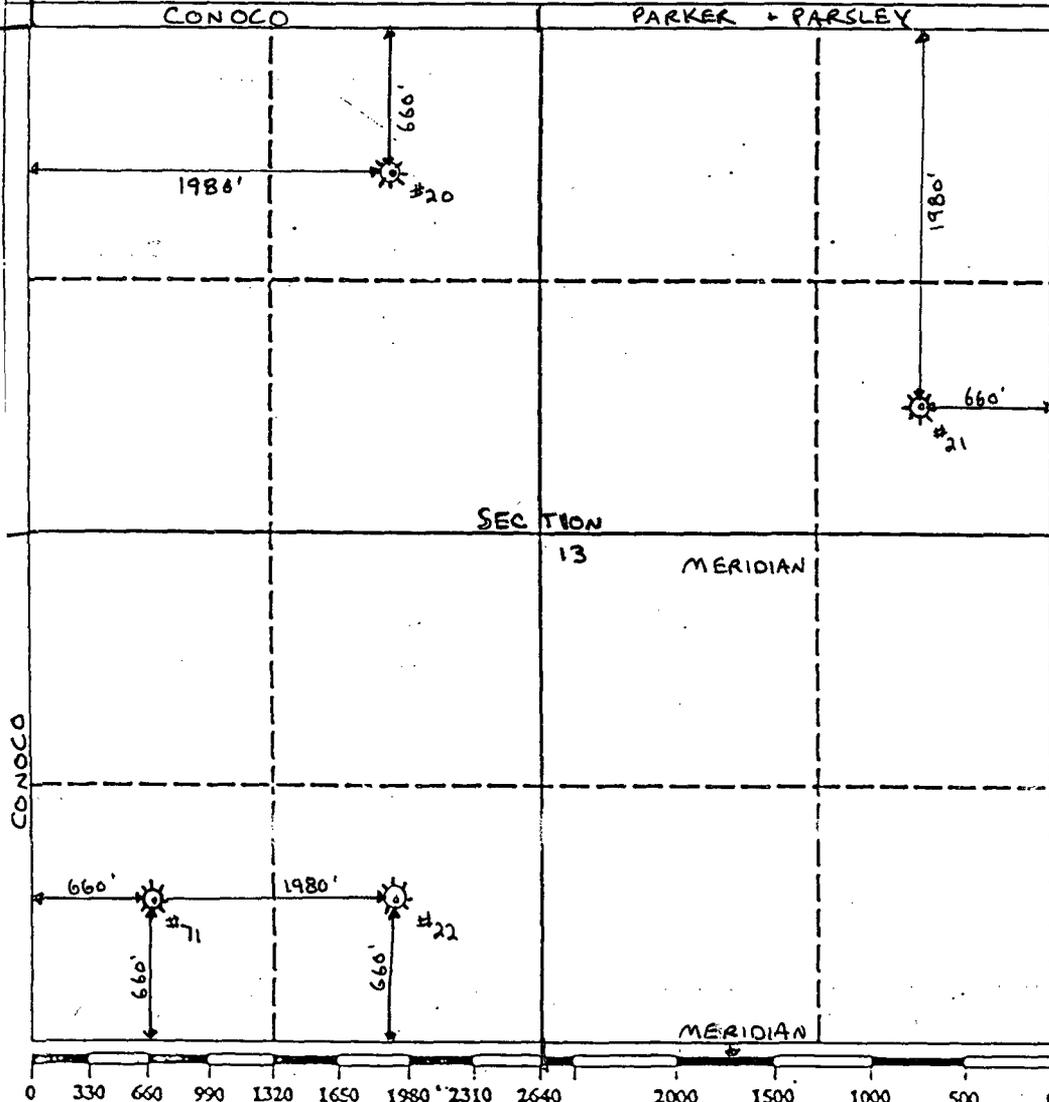
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hal J. Rasmussen Operating Inc.		Lease State "A" a/c 1		Well No. 71
Unit Letter M	Section 13	Township T-23-S	Range R-36-F	County Lea
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line				
Ground level Elev. 3371	Producing Formation TANSILL-YATES	Pool Jalmat	Dedicated Acreage: 480 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.

CHEVRON



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

Signature: *Jay Cherski*
 Printed Name: JAY CHERSKI
 Position: AGENT
 Company: HAL J RASMUSSEN OP.
 Date: 11/6/89

SURVEYOR CERTIFICATION
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: _____
 Signature & Seal of Professional Surveyor: _____
 Certificate No.: _____

CONOCO

CONOCO

State A A/C 1 #71

OFFSET OPERATORS:

Conoco
Mr. Hugh Ingram
P.O. Box 460
Hobbs, New Mexico 88240

Meridian Oil Corp.
Mr. Jim Cramer
21 Desta Drive
Midland, Texas 79705

Chevron
Mr. Al Bohling
P.O. Box 670
Hobbs, New Mexico 88240

Parker & Parsley



RECEIVED OIL CONSERVATION DIVISION ENERGY AND MINERALS DEPARTMENT

'89 NOV 27 AM 10 37

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

11-13-89

GARREY CARRUTHERS GOVERNOR

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC
DHC
NSL X
NSP
SWD
WFX
PMX

Gentlemen:

I have examined the application for the:

Hal J. Rasmussen Oper. Inc. State A A/C-1 # 71-M 13-23-36
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton

Jerry Sexton Supervisor, District 1

/ed

R-4116 - 480ac