

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

*Handwritten signature*

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 Locaiton  
State "A" a/c 1 # 49  
Jalmat Gas Pool  
Lea County, New Mexico

Dear Mr. LeMay,

Hal J. Rasmussen Operating Inc. respectfully requests administra-  
tive approval to recomplete the State "A" a/c 1 # 49, at an unor-  
thodox well location, located 660 ft FNL and 660 ft FWL of Sec-  
tion 10, T23S R36E, Lea County, New Mexico. The State "A" a/c 1 #  
49 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 # 49, the proration unit the well will be in-  
cluded in, and the offset operators.

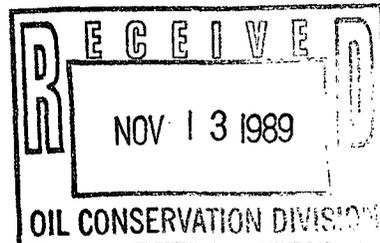
If you need any further information regarding this request,  
please call me at (915) 687-1664.

Thank-you for your consideration.

Sincerely,

*Jay Cherski*  
Jay Cherski

CC: New Mexico Oil Conservaiton 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

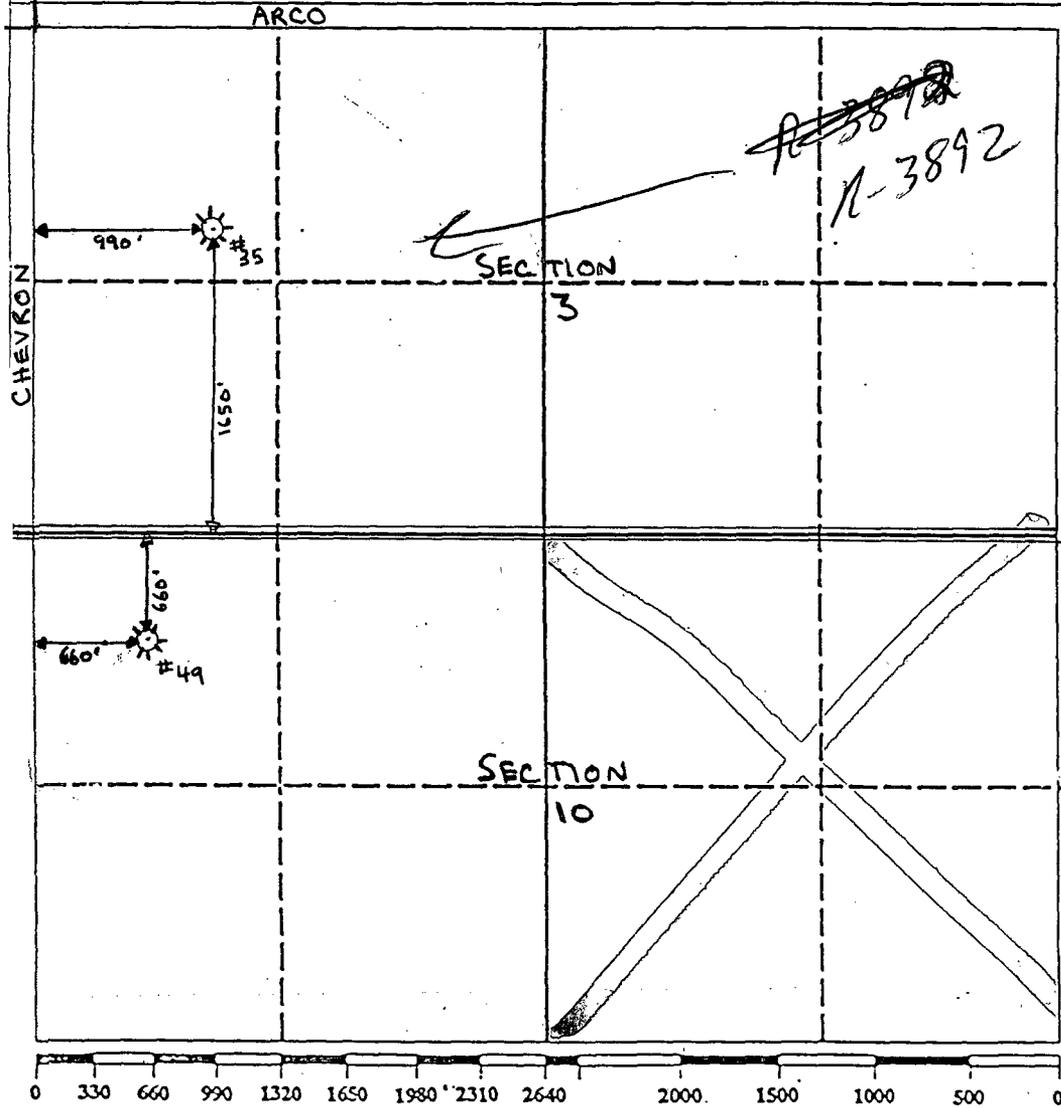
**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

**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. 49
Unit Letter D	Section 10	Township T-23-S	Range R-36-E	County Lea
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the WEST line				
Ground level Elev. 3487	Producing Formation TANSIL-YATES	Pool Jalmat	Dedicated Acreage: 400 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 CHERSKI  
 Position: AGENT  
 Company: HAL J RASMUSSEN  
 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.: \_\_\_\_\_

State A A/C 1 #49

OFFSET OPERATORS:

Chevron

Mr. Al Bohling

P.O. Box 670

Hobbs, New Mexico 88240

ARCO

Ms. Cindy Ellis

P.O. Box 1610

Midland, Texas 79702

**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 recomplete the State "A" a/c 1 well no. 49, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FNL 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 15<sup>TH</sup> DAY OF NOV. 1989

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

**HAL J. RASMUSSEN OPERATING, INC.**

SIX DESTA DRIVE, SUITE 5850

MIDLAND, TEXAS 79705

(915) 687-1664

Ms. Cindy Ellis  
ARCO  
P.O. Box 1610  
Midland, Texas

11/07/89

79702

Dear Ms. Ellis,

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. 49, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FNL 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 7<sup>th</sup> DAY OF Nov. 1989

BY Cindy, W. Ellis Se Enger

HAL J. RASMUSSEN OPERATING, INC.

SIX DESTA DRIVE, SUITE 3850 OIL CONSERVATION DIVISION  
MIDLAND, TEXAS 79705  
(915) 687-1664

RECEIVED  
'89 DEC 5 AM 11 09

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 recomplete the State "A" a/c 1 well no. 49, a proposed producing well in the Jalmat Pool, as a non-standard location. The well is located 660 feet FNL 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 15<sup>TH</sup> DAY OF NOV. 1989

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

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
J. SCOTT HALL  
JOHN H. BEMIS  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

OIL CONSERVATION DIVISION  
RECEIVED

'89 DEC 5 AM 11 09

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

December 5, 1989

Michael E. Stogner  
Oil Conservation Division  
State of New Mexico Energy, Minerals and  
Natural Resources Department  
P.O. 2088  
Santa Fe, New Mexico 87504

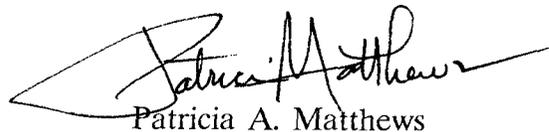
RE: Hal J. Rasmussen Operating, Inc.

Dear Mr. Stogner:

Please find enclosed the signed waivers to the application filed by Hal J. Rasmussen Operating, Inc. to recomplete the State "A" a/c 1 well no. 49. The application has been previously filed with the Division.

If you have any question please call.

Very truly yours,

  
Patricia A. Matthews

PAM:bh  
enc.

NSL-2729



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,

Michael E. Stogner  
Petroleum Engineer

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

#49

8.

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

February 1, 1990

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Sante Fe, New Mexico 87504

RE: Application to administratively amend Division  
Order No.s NSL-2727, NSL-2731, and NSL-2729 and  
Division Order R-9073.

Dear Mr. Lemay,

Hal J. Rasmussen Operating Inc. respectfully requests to ad-  
ministratively amend Division Order No.s NSL-2727, NSL-2731 and  
NSL-2729 all dated December 7, 1989 to reflect the changes in  
the non-standard proration unit resulting from Division Order No.  
R-9073 dated December 14, 1989. The new non-standard proration  
unit consists of:

The W 1/2 of section 10 T23S R36E, the SE 1/4 of the SE  
1/4, the N 1/2 of the SE 1/4 and the S 1/2 of the NE  
1/4 of section 9 T23S R36E.

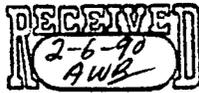
The unorthodox well locations approved in the aforementioned  
Division orders will remain unorthodox in the new proration unit.  
The wells and locations are the State "A" Account 1 well no. 88  
located 1980' from the south line and 1980' from the west line of  
section 10 T23S R36E, the State "A" Account 1 well no. 89 located  
660' from the south line and 1980 feet from the west line of sec-  
tion 10 T23S R36E and the State "A" Account 1 well no. 49 located  
660' from the north line and 660' from the west line of section  
10 T23S R36E.

Hal J Rasmussen Operating Inc. also respectfully requests to  
amend Division Order No. R-9073 to include well No.s 88, 89 and  
49 in the proration unit and to simultaneously dedicate the 520  
acre proration unit to well no.s 37, 38, 88, 89 and 49, located  
in unit letters F, M, K, N, and D of section 10 T23S R36E respec-  
tively.

In accordance with New Mexico Oil Conservation Division Regula-  
tions all offset operators of the aforementioned proration unit  
have been notified of this application by certified mail. The  
certified mail return receipts will be forwarded to Sante Fe when  
they are received by our office.

State "A" a/c 1 well # 49, 88, 89  
Offset Operators

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



8

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

OIL CONSERVATION DIVISION  
RECEIVED  
'90 FEB 12 AM 9 35

February 1, 1990

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

Re: Application to amend Division Order no.s NSL-2727,  
NSL-2729 Nsl-2731 and Division Order R-9073

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 administratively amend Division Order no.s NSL-2727, NSL-2729 and NSL-2731 all dated December 7, 1989 to reflect the changes in the non-standard proration unit consisting of:

The W 1/2 of section 10 T23S R36E, the SE 1/4 of the SE 1/4, the N 1/2 of the SE 1/4 and the S 1/2 of the NE 1/4 of section 9 T23S R36E Lea County, New Mexico.

which resulted from Division Order R-9073 dated December 14, 1989.

Hal J. Rasmussen Operating Inc. is also seeking to amend division order R-9073 to include well no.s 88, 89 and 49 in the above proration unit and to simultaneously dedicate the 520 acre proration unit to well no.s 37, 38, 88, 89, and 49 located in unit letters F, M, K, N and D of section 10 T23S R36E respectively.

If you have no objections, please execute one copy of this letter and return it in the enclosed self addressed stamped envelope. 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 9<sup>th</sup> DAY OF Feb. 1989

BY Alan W. Bohling  
Special Projects Engineer

(8.)



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
RECEIVED  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBBS DISTRICT OFFICE

90 FEB 12 AM 9 59

2-9-90

GARREY CARRUTHERS  
GOVERNOR

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

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

RE: Proposed:

- MC \_\_\_\_\_
- DHC \_\_\_\_\_
- NSL  \_\_\_\_\_ *Amend*
- NSP \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

NSL-2727, NSL 2731, NSL-2729

Gentlemen:

I have examined the application for the:

*Hal G. Rasmussen Oper. Inc.*  
Operator \_\_\_\_\_

*State A A/c-1 #49-D* 10-23-36  
*State A A/c-1-88-K* 10-23-36  
*State A A/c-1 #89-N* 10-23-36

Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*OK*

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Yours very truly,

*Jerry Sexton*  
 Jerry Sexton  
 Supervisor, District 1

/ed



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

11, 12, 8

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 black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner  
Petroleum Engineer

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

11, 12, 8

**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  
Jalpat 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:

- (8) { State A A/C 1 #89      Section 10-23-36      NSL-2731
- { State A A/C 1 #49      Section 10-23-36      NSL-2729
- { State A A/C 1 #88      Section 10-23-36      NSL-2727
- (10) - State A A/C 1 #71      Section 13-23-36      NSL-2728 → R-9073-A
- (12) - State A A/C 1 #82      Section 15-23-26      NSL-2730

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

*will be authorized w/ #75  
received 1/21/90*

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

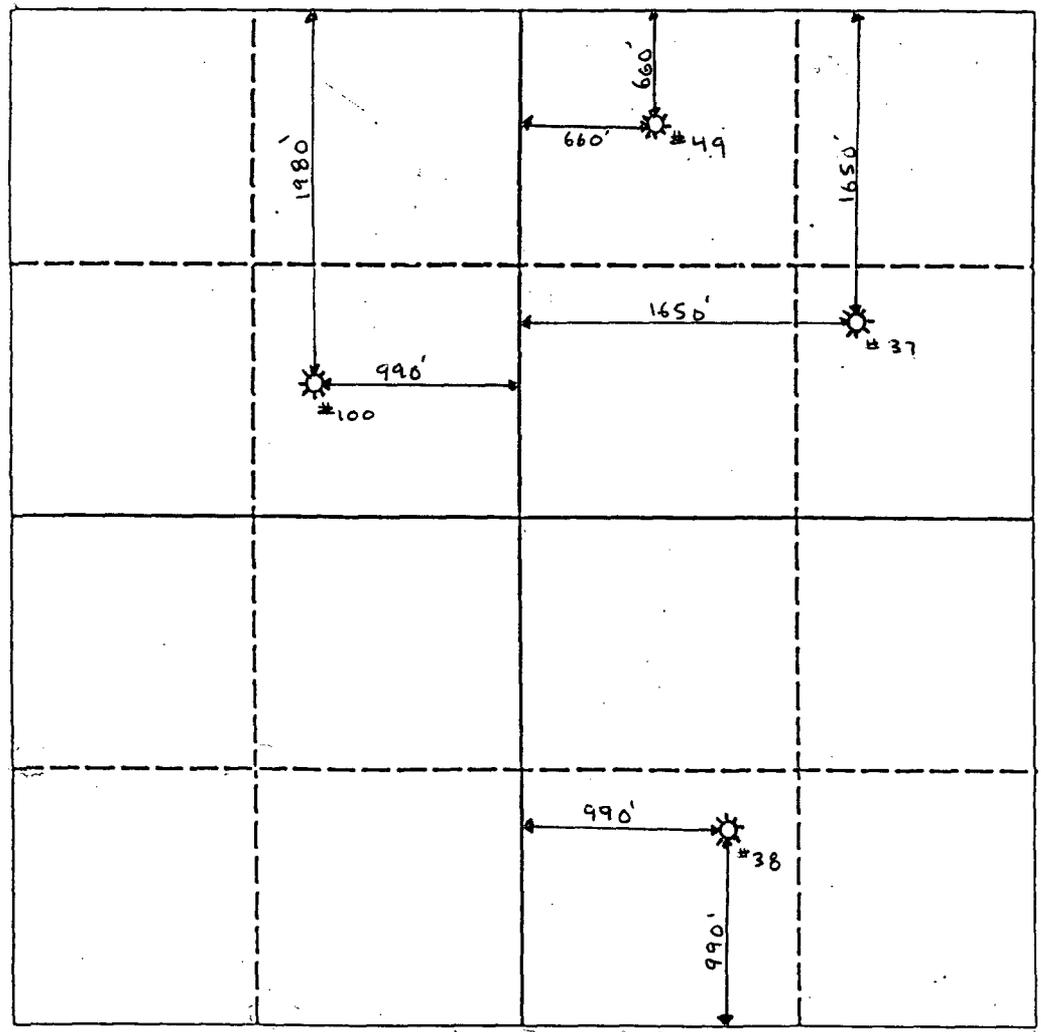
DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

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. 49
Unit Letter 0	Section 10	Township 23 S	Range 36 E	County Lea
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the WEST line				
Ground level Elev. 3487	Producing Formation TNSL-YTS-7R	Pool Jalmat-TNSL-YTS-7R	Dedicated Acreage: 520 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.

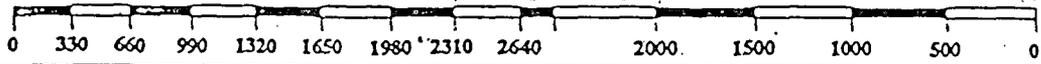


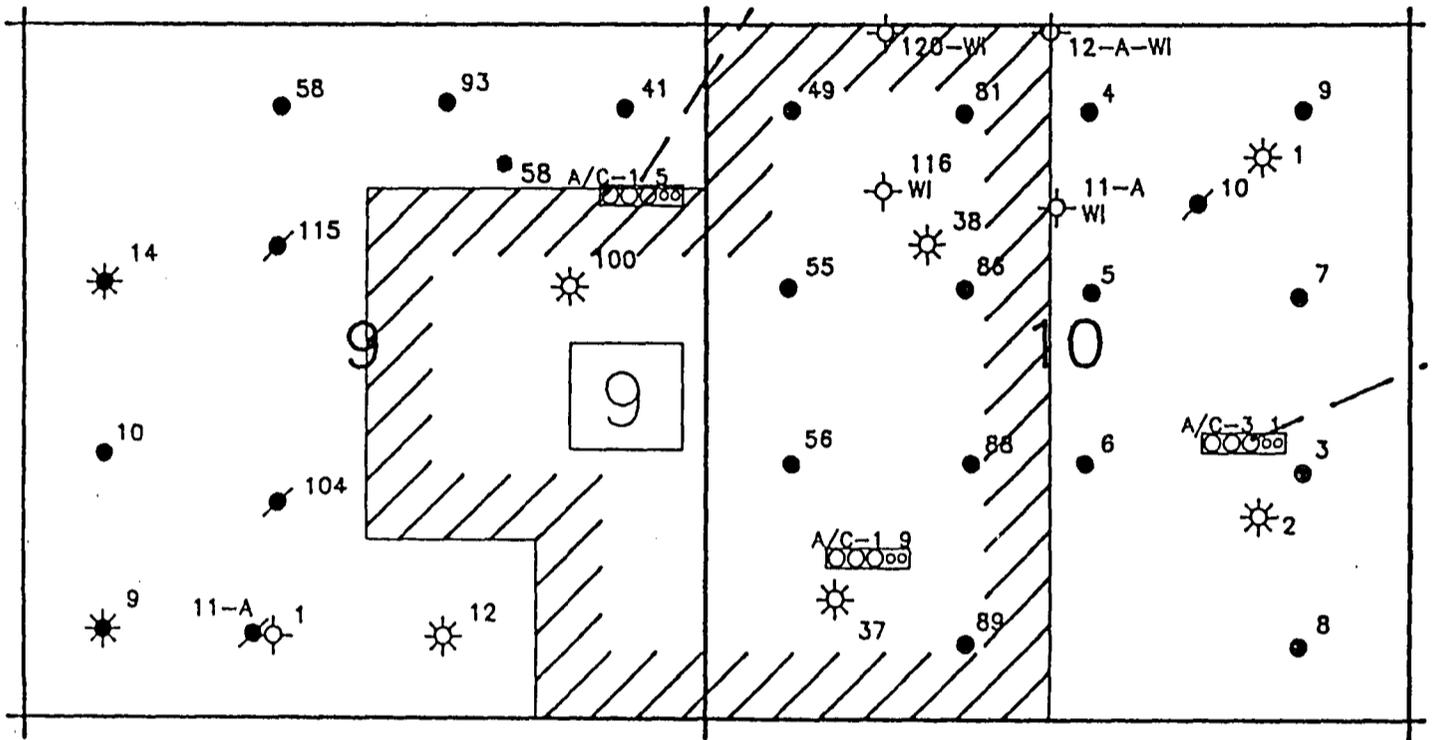
**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jay D. 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 210



CONSERVATION DIVISION  
RECEIVED ENERGY

'89 NOV 27 AM 10 37

STATE OF NEW MEXICO

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	<input checked="" type="checkbox"/> _____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<i>Hal J. Rasmussen Oper. Inc.</i>	<i>State "A"</i>	<i>A/C-1</i>	<i>#49</i>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

*OK*

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Yours very truly,

*Jerry Sexton*  
 Jerry Sexton  
 Supervisor, District 1

/ed

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

July 22, 1991

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 2070  
Midland, Texas 79705

Attention: Jay Cherski

*Amended Administrative Order NSL-2727*  
*Amended Administrative Order NSL-2729*  
*Amended Administrative Order NSL-2731*

Dear Mr. Cherski:

Reference is made to your applications dated December 6, 1989 and February 1, 1990 made pursuant to the provisions of Division Administrative Orders NSL-2727, NSL-2729, and NSL-2731, all dated December 7, 1989, which collectively authorized three unorthodox Jalmat Gas well locations for the State "A" A/C-1 Well Nos. 49, 88 and 89 located respectively in Units D, K, and N of Section 10, Township 23 South, Range 36 East, NMPM, Lea County New Mexico.

Administrative Order NSL-2727 provided that the State "A" A/C-1 Well No. 88, located 1980 feet from the South and West lines (Unit K) of said Section 10, be simultaneously dedicated with the State "A" A/C-1 Well Nos. 37 and 38, located, respectively in Units F and M of said Section 10 to a then existing 320-acre non-standard gas spacing and proration unit (approved by Division Order No. R-4116, dated March 10, 1971) comprising the N/2 SE/4 and SE/4 SE/4 of Section 9 and the S/2 NW/4, N/2 SW/4, and SW/4 SW/4 of Section 10, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

Administrative Order NSL-2729 provided that the State "A" A/C-1 Well No. 49, located 660 feet from the North and West lines (Unit D) of said Section 10, be simultaneously dedicated with the State "A" A/C-1 Well No. 35, located 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 3, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to a then existing 240-acre non-standard gas spacing and proration unit (approved by Division Order No. R-3892, dated December 5, 1969) comprising the SW/4 of said Section 3 and the N/2 NW/4 of said Section 10.

Administrative Order NSL-2731 provided that the State "A" A/C-1 Well No. 89, located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 10, be simultaneously dedicated with the State "A" A/C-1 Well Nos. 31 and 33, located, respec-

Hal J. Rasmussen Operating, Inc.  
Amended Orders NSL-2727, NSL-2729, and NSL-2731  
July 22, 1991  
Page 2

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tively in Unit H and F of Section 15, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to a then existing 280-acre non-standard gas spacing and proration (approved by Division Order No. R-4361, as amended) comprising the SE/4 SW/4 of said Section 10 and the S/2 NE/4 and NW/4 of said Section 15.

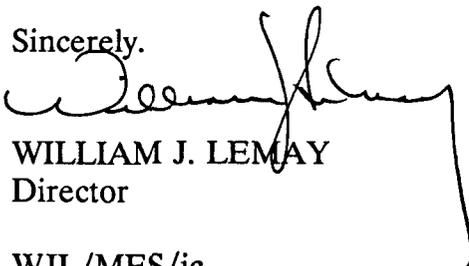
Subsequent to the issuance of said Administrative Orders NSL-2727, NSL-2729, and NSL-2731, the Division on December 14, 1989 issued Order No R-9073, as corrected by Order No. R-9073-B, which authorized, in part, a 520-acre non-standard gas spacing and proration unit (Paragraph No. (8) of Exhibit "A") comprising the S/2 NE/4, N/2 SE/4 and SE/4 SE/4 of Section 9 and the W/2 of Section 10, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, and had dedicated thereon, the State "A" A/C-1 Well Nos. 37 and 38 located, respectively, at standard gas well locations in Units F and M of said Section 10.

At this time, Division Administrative Orders NSL-2727, NSL-2729, and NSL-2731 should all be amended to include the State "A" A/C-1 Well Nos. 88, 49, and 89 in the current 520-acre non-standard gas spacing and proration unit.

The unorthodox location portions of said Orders NSL-2727, NSL-2729, and NSL-2731, all dated December 7, 1990 and those provisions applicable to the subject GPU in Division Order Nos. R-9073 and R-9073-B shall remain in full force and effect until further notice.

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well Nos. 37 and 38 with the State "A" A/C-1 Well Nos. 49, 88 and 89; furthermore, you are hereby permitted to produce the allowable assigned the GPU to all five wells in any proportion.

Sincerely,



WILLIAM J. LEMAY  
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs  
NMOCD - Santa Fe  
File: Case - 9775  
NSL - 2727  
NSL - 2729 ✓  
NSL - 2731



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

October 25, 1999

**Raptor Resources, Inc.**  
**P. O. Box 160430**  
**Austin, Texas 78716-0430**  
**Attention: Bill R. Keathly**

***Administrative Order NSL-4371(SD)***

Dear Mr. Keathly:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") on August 20, 1999; (ii) the Division's records in Santa Fe; (iii) the Division's initial response from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe, by letter dated September 17, 1999; and (iv) your resubmitted application dated September 24, 1999, which was received by the Division on October 4, 1999: all concerning Raptor Resources, Inc.'s ("Raptor") request for an unorthodox Jalmat infill gas well location within an existing non-standard 520-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the S/2 NE/4, N/2 SE/4, and SE/4 SE/4 of Section 9 and the W/2 of Section 10, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. This GPU was established by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B [Paragraph No. (8) of Exhibit "A"] and had dedicated thereon the two following wells:

- (1) State "A" A/C-1 Well No. 37 (API No. 30-025-09290), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10; and
- (2) State "A" A/C-1 Well No. 38 (API No. 30-025-09291), located at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 10.

By Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this GPU, the State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 10 was also approved.

By Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this GPU, the State "A" A/C-1 Well No. 49 (API No. 30-025-09292), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 10 was also approved.

By Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991, another well for this GPU, the State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line

Administrative Order NSL-4371(SD)  
Raptor Resources, Inc.  
October 25, 1999  
Page 2

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(Unit N) of Section 10 was also approved.

In August, 1990 an additional well was completed in this GPU, the State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10.

It is our understanding that the subject well to be considered at this time is currently completed in the Langlie-Mattix-Seven Rivers-Queen-Grayburg Pool, however it is to be plugged back and recompleted up-hole into the Jalmat Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well located at an unorthodox Jalmat gas well location in Section 10 is hereby approved:

**State "A" A/C-1 Well No. 81  
660' FNL & 1980' FWL (Unit C)  
(API No. 30-025-09295).**

Also, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Well No. 81 with the State "A" A/C-1 Wells No. 37, 38, 49, 55, 88, and 89. Furthermore, Raptor is hereby permitted to produce the allowable assigned the subject 520-acre GPU from all seven of the above-described wells in any proportion

All provisions applicable to the subject GPU in Division Order No. R-9073 and Division Administrative Orders NSL-2727, as amended, NSL-2729, as amended, and NSL-2731, as amended, shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSL-2727  
NSL-2729 ✓  
NSL-2731



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
Jennifer A. Salisbury  
Cabinet Secretary

December 19, 2001

**Lori Wrotenbery**  
Director  
Oil Conservation Division

**Raptor Resources, Inc.**  
c/o William F. Carr  
Holland & Hart L.L.P. and Campbell & Carr  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Telefax No. (505) 983-6043

*Administrative Order SD-01-09*

Dear Mr. Carr:

Reference is made to the following: (i) your application on behalf of the operator, Raptor Resources, Inc. ("Raptor") dated November 28, 2001 (*application reference No. pKRV0-133340581*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-2727, NSL-2729, NSL-2731, and NSL-4371 (SD) and Division Cases No. 9775 (which resulted in the issuance of Division Orders No. R-9073 and R-9073-B) and No. 12623 (which resulted in the issuance of Division Order No. R-11591): all concerning Raptor's requests for an additional infill gas well within an existing non-standard 520-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool (**79240**) comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4  
Section 10: W/2.

This 520-acre GPU was established by Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989, as amended by Division Order No. R-9073-B [Paragraph No. (8) of Exhibit "A"].

The rules and procedures governing the Jalmat Gas Pool at the time this application was submitted include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B;
- (iii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Rule 1207.A (2); and
- (v) the amended Stipulated Declaratory Judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11,

2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgement").

By the authority granted me under the provisions of these rules, regulations, and directives, Raptor is hereby authorized to simultaneously dedicate gas production from the Jalmat Gas Pool to the above-described 520-acre GPU from the following ten wells:

- (1) the existing State "A" A/C-1 Well No. 37 (**API No. 30-025-09290**), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10, which was the subject of Division Orders No. R-9073 and R-9073-B;
- (2) the existing State "A" A/C-1 Well No. 38 (**API No. 30-025-09291**), located at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 10, which also was the subject of Division Orders No. R-9073 and R-9073-B;
- (3) the existing State "A" A/C-1 Well No. 49 (**API No. 30-025-09292**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991) 660 feet from the North and West lines (Unit D) of Section 10;
- (4) the existing State "A" A/C-1 Well No. 55 (**API No. 30-025-09293**), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;
- (5) the existing State "A" A/C-1 Well No. 81 (**API No. 30-025-09295**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-4371, dated October 25, 1999) 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 9;
- (6) the existing State "A" A/C-1 Well No. 88 (**API No. 30-025-09297**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991) 1980 feet from the South and West lines (Unit K) of Section 10;
- (7) the existing State "A" A/C-1 Well No. 89 (**API No. 30-025-09298**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991) 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10;
- (8) the proposed State "A" A/C-1 Well No. 130 (**API No. 30-025-**

35552), yet to be drilled at an unorthodox gas well location (approved by Division Order No. R-11591, dated May 31, 2001) 660 feet from the South and East lines (Unit P) of Section 9;

(9) the proposed State "A" A/C-1 Well No. 131 (API No. 30-025-35556), yet to be drilled at an unorthodox gas well location (also approved by Division Order No. R-11591) 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 9; and

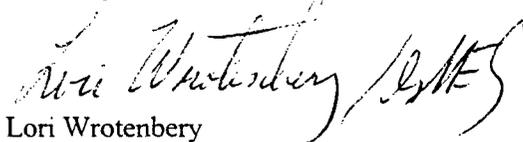
(10) the previously plugged and abandoned Clayton W. Williams, Jr., Inc. State "A" A/C-1 Well No. 56 (API No. 30-025-09294), to be re-entered and completed to the Jalmat Gas Pool at a standard infill gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10.

Raptor is hereby permitted to produce the allowable assigned the subject 520-acre GPU from all ten of the aforementioned wells in any proportion.

All provisions applicable to the subject 520-acre GPU in Division Orders No. R-9073 and R9073-B and Division Administrative Orders NSL-2727, NSL-2729, NSL-2731, and NSL-4371, 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,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSL-2727  
NSL-2729  
NSL-2731  
NSL-4371 (SD)



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

January 8, 2003

**Raptor Resources, Inc.**  
c/o Holland & Hart LLP  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208  
Attention: William F. Carr

Telefax No. (505) 983-6043

*Administrative Order NSP-1862 (SD)*

Dear Mr. Carr:

Reference is made to the following: (i) your application (*application reference No. pKRV0-235438380*) on behalf of the operator, Raptor Resources, Inc.'s ("Raptor"), dated December 19, 2002; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe, including the files on Division Administrative Orders NSL-2727, NSL-2729, NSL-2731, NSL-4371 (SD), and SD-01-09 and Division Cases No. 9775 (which resulted in the issuance of Division Orders No. R-9073 and R-9073-B) and No. 12623 (which resulted in the issuance of Division Order No. R-11591): all concerning Raptor's requests to decrease the acreage of the existing 520-acre non-standard gas spacing unit for the Jalmat Gas Pool (**79240**), comprising the S/2 NE/4, N/2 SE/4, and SE/4 SE/4 of Section 9 and the W/2 of Section 10, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, by deleting therefrom the 40-acre tract comprising the SE/4 SE/4 (Unit P) of Section 9.

This 520-acre non-standard gas spacing unit was initially established by Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989, as amended by Division Order No. R-9073-B [Paragraph No. (8) of Exhibit "A"].

Your application submitted on behalf of Raptor 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.

It is our understanding from this application and the Division's records that the following ten wells are shown to be currently dedicated to the aforementioned 520-acre non-standard gas spacing unit:

- (1) the existing State "A" A/C-1 Well No. 37 (**API No. 30-025-09290**), located 1650 feet from the North and West lines (Unit F) of Section 10, which well was the subject of Division Orders No. R-9073 and R-9073-B;

(2) the existing State "A" A/C-1 Well No. 38 (API No. 30-025-09291), located 990 feet from the South and West lines (Unit M) of Section 10, which well was also the subject of Division Orders No. R-9073 and R-9073-B;

(3) the existing State "A" A/C-1 Well No. 49 (API No. 30-025-09292), located 660 feet from the North and West lines (Unit D) of Section 10, which well was the subject of Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991;

(4) the existing State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;

(5) the existing State "A" A/C-1 Well No. 81 (API No. 30-025-09295), located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10, which well was the subject of Division Administrative Order NSL-4371, dated October 25, 1999;

(6) the existing State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located 1980 feet from the South and West lines (Unit K) of Section 10, which well was the subject of Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991;

(7) the existing State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10, which well was the subject of Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991;

(8) the recently drilled State "A" A/C-1 Well No. 130 (API No. 30-025-35552), located 660 feet from the South and East lines (Unit P) of Section 9, which well was the subject of Division Order No. R-11591, issued in Case No. 12623 on May 31, 2001;

(9) the recently drilled State "A" A/C-1 Well No. 131 (API No. 30-025-35556), located 1980 feet from the South line and 660 feet

from the East line (Unit I) of Section 9, which well was also the subject of Division Order No. R-11591); and

(10) the previously plugged and abandoned Clayton W. Williams, Jr., Inc. State "A" A/C-1 Well No. 56 (API No. 30-025-09294), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10 is to be re-entered and completed to the Jalmat Gas Pool.

IT SHALL BE NOTED AT THIS TIME THAT the locations of all the above described State "A" A/C-1 Wells No. 37, 38, 49, 55, 56, 81, 88, 89, 130, and 131 are now considered to be standard for this 520-acre non-standard unit pursuant to Rule 3 (A) (2) of the special rules currently governing the Jalmat Gas Pool.

It our understanding that the above described State "A" A/C-1 Well No. 130 in Unit "P" of Section 9 was recently completed as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the SE/4 SE/4 (Unit P) of Section 9 is to be omitted from the 520-acre non-standard gas unit at this time.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, the following described 480-acre non-standard gas spacing unit is hereby approved:

LEA COUNTY, NEW MEXICO  
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 9: S/2 NE/4 and N/2 SE/4

Section 10: W/2.

Also, pursuant to Rule 6 (B) of the Jalmat special pool rules, Raptor is hereby authorized to simultaneously dedicate Jalmat gas production from the State "A" A/C-1 Wells No. 37, 38, 49, 55, 56, 81, 88, 89, and 131.

All provisions applicable to this newly formed 480-acre non-standard gas spacing unit in Division Orders No. R-9073 and R-9073-B and Division Administrative Order SD-01-09 not in conflict with this order shall remain in full force and affect until further notice. At this time Division Administrative Orders NSL-2727, as amended, NSL-2729, as amended, NSL-2731, as amended, and NSL-4371 (SD) and Division Order No. R-11591 are hereby placed in abeyance until further notice.

Administrative Order NSP-1862 (SD)

Raptor Resources, Inc.

January 8, 2003

Page 4

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

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe

File: NSL-2727  
NSL-2729 /  
NSL-2731  
NSL-4371 (SD)  
SD-01-09



NSL-2729

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

September 14, 2006

**Petrohawk Operating Company**  
c/o **Holland & Hart LLP**  
Attention: Ms. Ocean Munds-Dry ([omundsdry@hollandhart.com](mailto:omundsdry@hollandhart.com))  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

## *AMENDED Administrative Order NSP-1862 (SD)*

Dear Ms. Munds-Dry:

Reference is made to the following: (i) your original application filed on behalf of the operator, Petrohawk Operating Company ("Petrohawk"), and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 22, 2006 (*administrative application reference No. pTDS0-617438230*); (ii) the Division's initial response by letter from Mr. Michael E. Stogner, Staff Engineer in Santa Fe, denying this application, wrongfully so as it turns out; (iii) your re-submittal of this application on August 10, 2006; and (iv) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Orders NSL-2727, NSL-2729, NSL-2731, NSL-4371 (SD), SD-01-09, and NSP-1862 (SD), and Division Cases No. 9775 (which resulted in the issuance of Division Orders No. R-9073 and R-9073-B) and No. 12623 (which resulted in the issuance of Division Order No. R-11591): all concerning Petrohawk's plans for the continued development of the Jalmat Gas Pool (**79240**) within the existing non-standard 480-acre gas spacing unit comprising the S/2 NE/4 and N/2 SE/4 of Section 9 and the W/2 of Section 10, both in 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 Administrative Order NSP-1862 (SD), dated January 8, 2003, established the subject 480-acre unit for the following nine wells, all at locations considered to be standard for this 480-acre non-standard unit pursuant to Rule 3 (A) (2) of the special rules currently governing the Jalmat Gas Pool.

- (1) State "A" A/C-1 Well No. 37 (**API No. 30-025-09290**), located 1650 feet from the North and West lines (Unit F) of Section 10, which well was the subject of Division Orders No. R-9073 and R-9073-B;
- (2) State "A" A/C-1 Well No. 38 (**API No. 30-025-09291**), located 990 feet from the South and West lines (Unit M) of Section 10, which well was also the subject of Division Orders No. R-9073 and R-9073-B;

- (3) State "A" A/C-1 Well No. 49 (API No. 30-025-09292), located 660 feet from the North and West lines (Unit D) of Section 10, which well was the subject of Division Administrative Order NSL-2729, dated December 7, 1989, as amended by order dated July 22, 1991;
- (4) State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;
- (5) the plugged and abandoned Clayton W. Williams, Jr., Inc. State "A" A/C-1 Well No. 56 (API No. 30-025-09294), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10;
- (6) State "A" A/C-1 Well No. 81 (API No. 30-025-09295), located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10, which well was the subject of Division Administrative Order NSL-4371, dated October 25, 1999;
- (7) State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located 1980 feet from the South and West lines (Unit K) of Section 10, which well was the subject of Division Administrative Order NSL-2727, dated December 7, 1989, as amended by order dated July 22, 1991;
- (8) State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10, which well was the subject of Division Administrative Order NSL-2731, dated December 7, 1989, as amended by order dated July 22, 1991; and
- (9) State "A" A/C-1 Well No. 131 (API No. 30-025-35556), located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 9, which well was also the subject of Division Order No. R-11591).

It is the Division's understanding that Petrohawk as the operator of this 480-acre Jalmat gas spacing unit intends to replace its above-described State "A" A/C-1 Well No. 37 (API No. 30-025-09290) in Unit "F" of Section 10 with its State "A" A/C-1 Well No. 86 (API No. 30-025-09296), located at a standard Jalmat gas well location 1980 feet from the North and West lines of Section 10. The No. 86 well was drilled in March 20, 1960 by Texas Pacific Coal & Oil of Fort Worth, Texas and completed in the Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool (37240) at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 of Section 10. This well has been TA'ed (temporarily abandoned) since 1968.

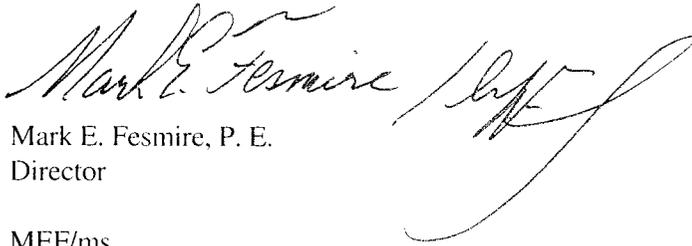
**Once Jalmat gas production is established in the State "A" A/C-1 Well No. 86, Petrohawk shall cease producing from the Jalmat Gas Pool from the State "A" A/C-1 Well No. 37 and abandon this interval.**

Further, by the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Petrohawk shall at that time be authorized to simultaneously dedicate Jalmat gas production to the aforementioned 480-acre non-standard gas spacing unit from the nine above-described State "A" A/C-1 Wells No. 38, 49, 55, 56, 81, 86, 88, 89, and 131.

All provisions applicable to the subject 480-acre non-standard Jalmat gas spacing unit in Division Administrative Order NSP-1862 (SD), 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,



Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSL-2727  
NSL-2729  
NSL-2731  
NSL-4371 (SD)  
SD-01-09  
NSP-1862 (SD)

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