

OIL CONSERVATION DIVISION
RECEIVED

CLAYTON W. WILLIAMS, JR., INC.

'91 DEC 19 AM 9 15

3000 CLAYDESTA NATIONAL BANK BUILDING
SIX DESTA DRIVE
MIDLAND, TEXAS 79705
915/682-6324

December 12, 1991

Waiver Request
Unorthodox Gas Well Location
and Simultaneous Dedication
Jalmat Tansil Yts 7-Rvrs
(Prorated Gas) Pool
660' FNL and 1980' FWL
Section 11, T-22-S. R-36-E
Lea County, New Mexico

Meridian Oil Inc.
P. O. Box 51810
Midland, Texas 79710-1810
Attn: C. Malik

Gentlemen:

Attached is a copy of Clayton W. Williams' administrative application for NMOCD approval of an Unorthodox Gas Well Location and Simultaneous dedication in the Jalmat Tansil Yates 7-Rivers (Pro Gas) Pool.

Clayton W. Williams, Jr., Inc. is planning to re-complete it's State "A" A/C 2 Well #15 in the Jalmat Tansil Yates 7-Rivers (Pro Gas) Pool. It is our desire to also simultaneously dedicate the existing 640 acre Jalmat Gas Proration Unit assigned to our State "A" A/C #2 Well Nos. 36,42,62, and 73 to all 5 wells. As a result, the location of the State "A" A/C 2, well No. 15 becomes unorthodox. The location of the well No. 15 is 660' FNL and 1980' FWL of Section 11, T-22-S, R-36-E, Lea County, New Mexico.

As an offset operator, if you do not have an objection to the attached application, please sign the enclosed waivers and mail the original and two copies to the NMOCD in Santa Fe and one copy to the NMOCD in Hobbs, New Mexico. We also request that one copy be returned to CWWJ, Inc. in Midland, Texas. We have enclosed addressed, stamped envelopes for your convenience.

If you have any questions, please contact me at (915) 688-3239. Your prompt consideration will be appreciated.

Yours very truly,



David G. Grafe
Petroleum Engineer

Attachments
Enclosures

DGG/rsm

FEDERAL EXPRESS

QUESTIONS? CALL 800-238-5355 TOLL FREE.

AIRBILL
PACKAGE
TRACKING NUMBER

1712882496

1330M

1712882496

Received 12/9/91

RECIPIENT'S COPY

Date: **12/05/91**

From (Your Name) Please Print: **David G. Grafe**
 Your Phone Number (Very Important): **915-682-6324**
 To (Recipient's Name) Please Print: **State of New Mexico**
 Recipient's Phone Number (Very Important): **(505) 827-5800**

Company: **CLAYTON W WILLIAMS JR INC**
 Department/Floor No.: **2**
 Company: **Oil Conservation Division**
 Department/Floor No.: **Old Santa Fe Trail**

Street Address: **6 DESTA DR STE 5800**
 Exact Street Address (We Cannot Deliver to P.O. Boxes or P.O. Zip Codes.): **Old Santa Fe Trail**

City: **MIDLAND TX** State: **TX** ZIP Required: **79705**
 City: **Santa Fe, NM** State: **NM** ZIP Required: **87504**

YOUR INTERNAL BILLING REFERENCE INFORMATION (optional) (First 24 characters will appear on invoice.)

H IF HOLD FOR PICK-UP, Print FEDEX Address Here
 Street Address: _____
 City: _____ State: _____ ZIP Required: _____

PAYMENT 1 Bill Sender 2 Bill Recipient's FedEx Acct' No. 3 Bill 3rd Party FedEx Acct. No. 4 Bill Credit Card
 5 Cash/Check

SERVICES (Check only one box)		DELIVERY AND SPECIAL HANDLING (Check services required)		PACKAGES	WEIGHT In Pounds Only	YOUR DECLARED VALUE	Emp. No.	Date	Federal Express Use	
Priority Overnight (Delivery by next business morning) 11 <input type="checkbox"/> YOUR PACKAGING 16 <input checked="" type="checkbox"/> FEDEX LETTER * 12 <input type="checkbox"/> FEDEX PAK * 13 <input type="checkbox"/> FEDEX BOX 14 <input type="checkbox"/> FEDEX TUBE	Standard Overnight (Delivery by next business afternoon) 51 <input type="checkbox"/> YOUR PACKAGING 56 <input type="checkbox"/> FEDEX LETTER * 52 <input type="checkbox"/> FEDEX PAK * 53 <input type="checkbox"/> FEDEX BOX 54 <input type="checkbox"/> FEDEX TUBE	1 <input type="checkbox"/> HOLD FOR PICK-UP (Fill in Box #) 2 <input checked="" type="checkbox"/> DELIVER WEEKDAY 3 DELIVER SATURDAY (Extra charge) (Not available to all locations) <input type="checkbox"/> 4 <input type="checkbox"/> DANGEROUS GOODS (Extra charge) 5 <input type="checkbox"/> DRY ICE _____ Lbs. 7 <input type="checkbox"/> OTHER SPECIAL SERVICE 8 <input type="checkbox"/> 9 SATURDAY PICK-UP (Extra charge) 10 <input type="checkbox"/> 11 <input type="checkbox"/> 12 <input type="checkbox"/> HOLIDAY DELIVERY (if offered) (Extra charge)	6 <input type="checkbox"/> DIM SHIPMENT (Chargeable Weight) _____ lbs. L x W x H = 7 Received At 1 <input type="checkbox"/> Regular Stop 3 <input type="checkbox"/> Drop Box 4 <input type="checkbox"/> B.S.C. 2 <input checked="" type="checkbox"/> On-Call Stop 5 <input type="checkbox"/> Station						Base Charges Declared Value Charge Other 1 Other 2 Total Charges REVISION DATE 6/91 PART #137204 FXEM11/91 FORMAT #099 099 © 1990-91 FEDEX PRINTED IN U.S.A.	
Economy Two-Day (Delivery by second business day) 30 <input type="checkbox"/> ECONOMY		Government Overnight (Restricted for authorized users only) 46 <input type="checkbox"/> GOVT LETTER 41 <input type="checkbox"/> GOVT PACKAGE		Freight Service (for Extra Large or any package over 150 lbs.) 70 <input type="checkbox"/> OVERNIGHT FREIGHT ** 80 <input type="checkbox"/> TWO-DAY FREIGHT **						

*Declared Value Limit \$100.
 **Call for delivery schedule.

CLAYTON W. WILLIAMS, JR., INC.

3000 CLAYDESTA NATIONAL BANK BUILDING
SIX DESTA DRIVE
MIDLAND, TEXAS 79705
915/682-6324

December 5, 1991

ADMINISTRATIVE APPLICATION FOR
UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION
JALMAT TANSIL YTS 7-RVRS (PRO GAS)
660' FNL AND 1980' FWL
SECTION 11, T-22-S, R-36-E
LEA COUNTY, NEW MEXICO

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. William J. LeMay - Director

Gentlemen:

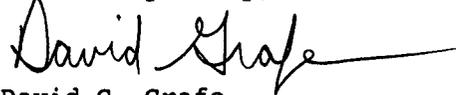
Clayton W. Williams, Jr., Inc. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Clayton W. Williams, Jr., Inc. is planning to re-complete it's State "A" A/C 2 Well No. 15 in the Jalmat Tansil Yates 7-Rivers (Pro Gas) Pool. It is our desire to also simultaneously dedicate the existing 640-acre Jalmat Gas Proration Unit assigned to our State "A" A/C 2 Well Nos. 36, 42, 62, and 73 to all five wells. As a result, the location of the State "A" A/C 2 Well No. 15 becomes unorthodox in that it is less than 990 feet from the outer boundary of the proration unit. The location of Well No. 15 is 1980 feet FWL and 660' FNL of Section 11, T-22-S, R-36-E, NMPM, Lea County, New Mexico.

In order to prevent waste, Clayton W. Williams, Jr., Inc. respectfully requests your approval of this administrative application for an unorthodox gas well location and simultaneous dedication. Attached is a map showing offset operators and a Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 688-3239.

Yours very truly,



David G. Grafe
Petroleum Engineer

Attachments
Enclosures
DGG/rsm

cc: NMOCD - Hobbs, NM

CLAYTON W. WILLIAMS, JR., INC.
State "A" Account 2
Well No. 15

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Jalmat Tansil Yates 7-Rivers (Pro Gas)
1980' FWL and 660' FNL
Section 11, T-22-S, R-36-E
Lea County, New Mexico

OFFSET OPERATORS

ARCO OIL AND GAS CO.
P. O. Box 1610
Midland, Texas 79702
Attn: J. T. Lowder

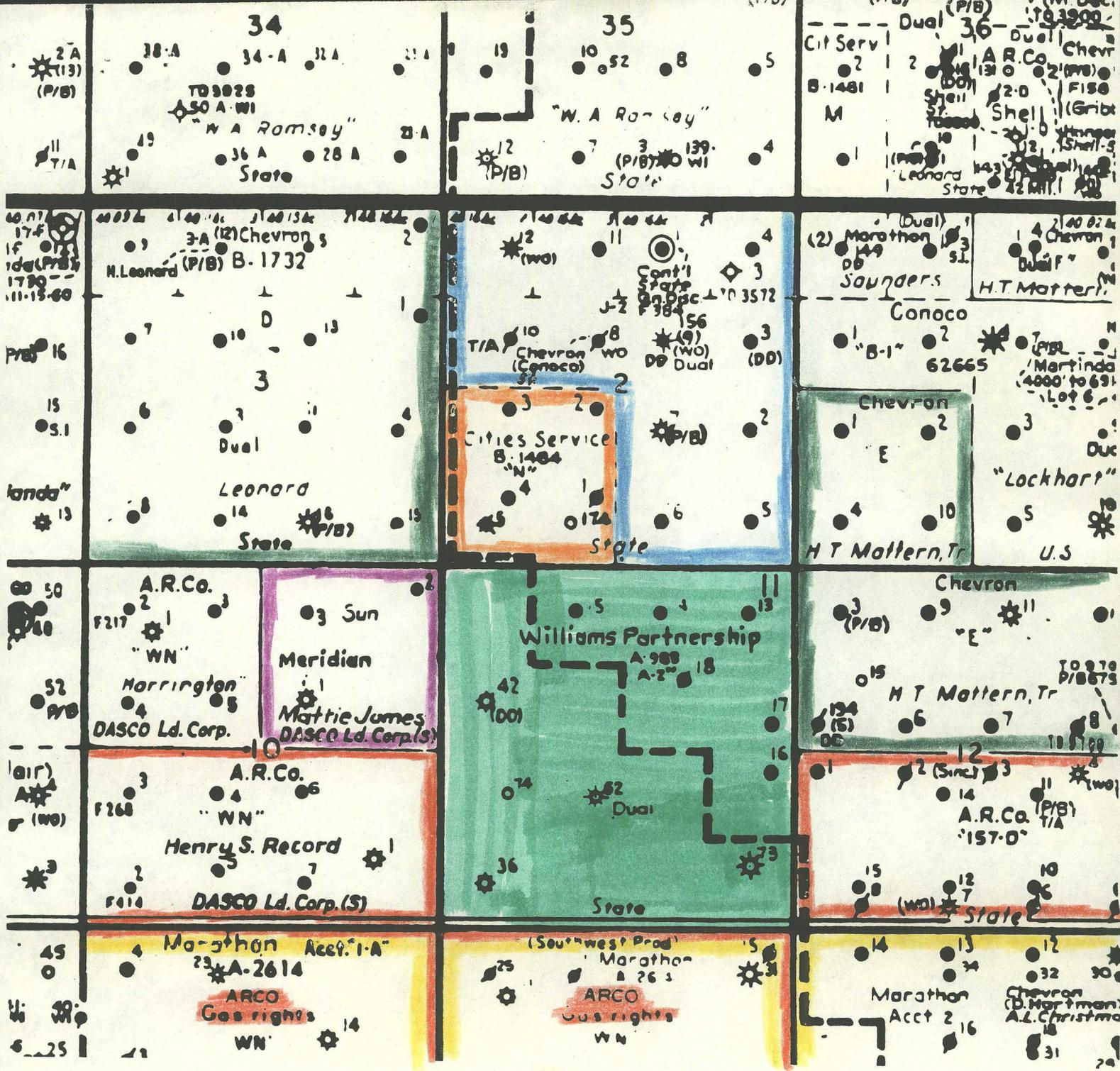
CHEVRON, INC.
P. O. Box 1150
Midland, Texas 79702
Attn: A. W. Bohling

CONOCO INC.
P. O. Box 1959
Midland, Texas 79702
Attn: J. W. Hoover

MARATHON
P. O. Box 552
Midland, Texas 79702
Attn: D. J. Loran

MERIDIAN OIL INC.
P. O. Box 51810
Midland, Texas 79710-1810
Attn: C. Malik

OXY U.S.A. INC.
P. O. Box 50250
Midland, Texas 79710
Attn: R. E. Foppiano



- Arco —
- Conoco —
- Chevron —
- Marathon —
- Meridian —
- Oxy —

OIL CONSERVATION DIVISION

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

Appropriate
Office.
Lease - 4 copies
Free Lease - 3 copies

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

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

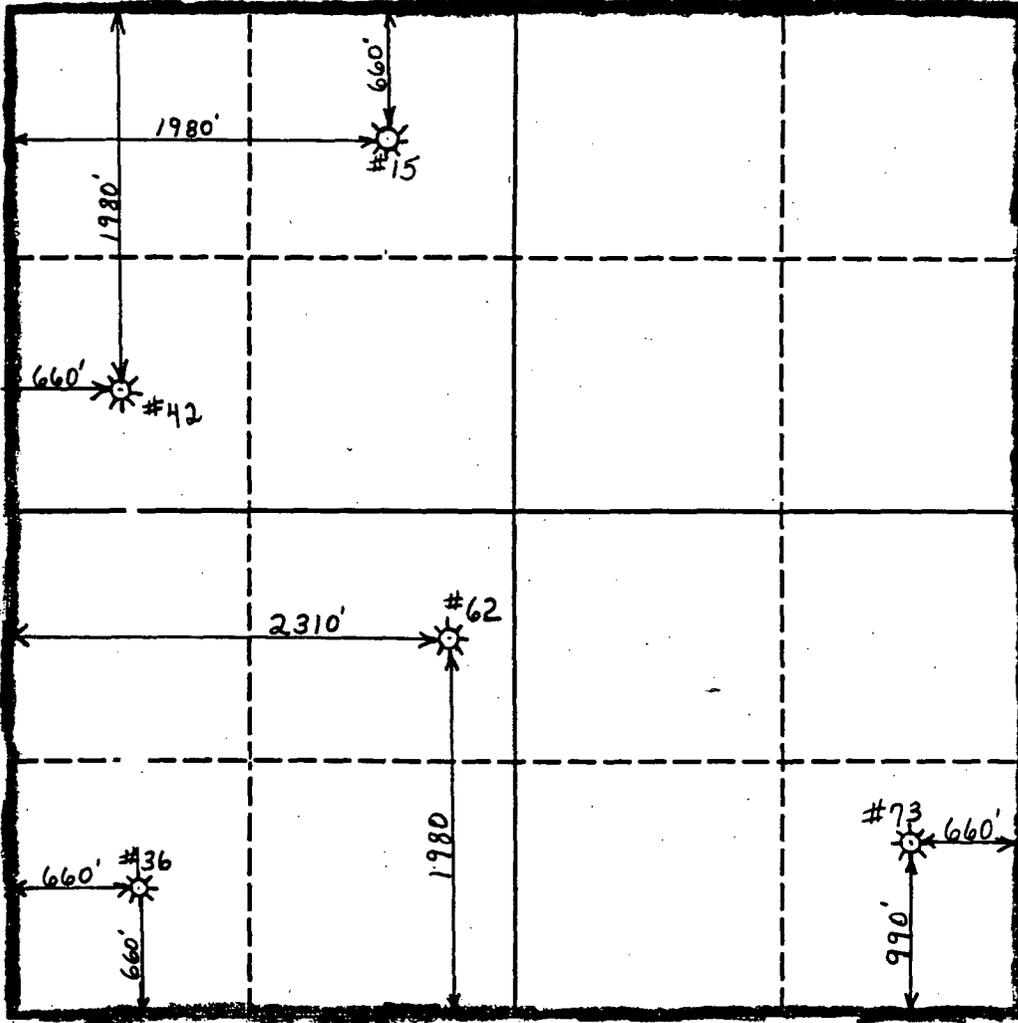
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Clayton W. Williams, Jr., Inc.		Lease State "A" A/C 2		Well No. 15
Unit Letter C	Section 11	Township 22S	Range 36E	County Lea
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line				
Ground level Elev. 3561'	Producing Formation Yates	Pool Jalmat-TNSL-Yates-7Rvr	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
David G. Grafe

Printed Name
David G. Grafe

Position
Production Engineer

Company
Clayton W. Williams, Jr., Inc.

Date
11-20-91

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.



OIL CONSERVATION DIVISION
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CLAYTON W. WILLIAMS, JR., INC.

'91 DEC 16 AM 8 48

3000 CLAYDESTA NATIONAL BANK BUILDING
SIX DESTA DRIVE
MIDLAND, TEXAS 79705
915/682-6324

December 5, 1991

ADMINISTRATIVE APPLICATION FOR
UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION
JALMAT TANSIL YTS 7-RVRS (PRO GAS)
660' FNL AND 1980' FWL
SECTION 11, T-22-S, R-36-E
LEA COUNTY, NEW MEXICO

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. William J. LeMay - Director

Gentlemen:

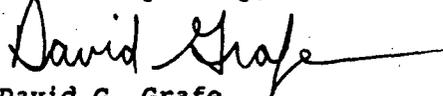
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In order to prevent waste, Clayton W. Williams, Jr., Inc. respectfully requests your approval of this administrative application for an unorthodox gas well location and simultaneous dedication. Attached is a map showing offset operators and a Form C-102 plat. A copy of this letter and attachments are being furnished by Certified Mail to offset operators as their notice of this application.

If you have any questions or require any further information concerning this application, please contact me at (915) 688-3239.

Yours very truly,



David G. Grafe
Petroleum Engineer

Attachments
Enclosures
DGG/rsm

cc: NMOCD - Hobbs, NM

CLAYTON W. WILLIAMS, JR., INC.
State "A" A/C 2
Well #15

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Jalmat Tansil Yates 7-Rivers (Prorated Gas)
660' FNL and 1980' FWL
Section 11, T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Clayton W. Williams, Jr., Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Jalmat Tansil Yates 7-Rivers (Pro Gas) Pool. This location is to be 660' FNL and 1980' FWL, Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. We further understand that this well will be simultaneously dedicated to an existing 640 acre gas proration unit along with Clayton W. Williams, Jr., Inc.'s State "A" A/C 2 Nos. 36, 42, 62, and 73. This proration unit comprises the whole of Section 11, T-22-S, R-36-E, Lea County, New Mexico.

Company: Chevron U.S.A.
Representative: F.S. Godbold III
Signature: F.S. Godbold III
Title: Special Projects Supervisor
Date: 12/10/91

CLAYTON W. WILLIAMS, JR., INC.
State "A" A/C 2
Well #15

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Jalmat Tansil Yates 7-Rivers (Prorated Gas)
660' FNL and 1980' FWL
Section 11, T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

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Company: Meridian Oil Inc.
Representative: Connie L. Malik
Signature: Connie L. Malik
Title: Regulatory Compliance Rep.
Date: 12-12-91

CLAYTON W. WILLIAMS, JR., INC.
State "A" A/C 2
Well #15

OIL CONSERVATION DIVISION
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'91 DEC 26 AM 10 31

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Jalmat Tansil Yates 7-Rivers (Prorated Gas)
660' FNL and 1980' FWL
Section 11, T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Clayton W. Williams, Jr., Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Jalmat Tansil Yates 7-Rivers (Pro Gas) Pool. This location is to be 660' FNL and 1980' FWL, Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. We further understand that this well will be simultaneously dedicated to an existing 640 acre gas proration unit along with Clayton W. Williams, Jr., Inc.'s State "A" A/C 2 Nos. 36, 42, 62, and 73. This proration unit comprises the whole of Section 11, T-22-S, R-36-E, Lea County, New Mexico.

Company: ARCO OIL & GAS COMPANY
Representative: KEVIN D. BENFRO
Signature: Kevin D. Benfro
Title: O/A Engineer
Date: 12 - 12 - 91

OIL CONSERVATION DIVISION
RECEIVED

91 DEC 23 AM 9 07

CLAYTON W. WILLIAMS, JR., INC.
State "A" A/C 2
Well #15

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Jalmat Tansil Yates 7-Rivers (Prorated Gas)
660' FNL and 1980' FWL
Section 11, T-22-S, R-36-E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Clayton W. Williams, Jr., Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Jalmat Tansil Yates 7-Rivers (Pro Gas) Pool. This location is to be 660' FNL and 1980' FWL, Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico. We further understand that this well will be simultaneously dedicated to an existing 640 acre gas proration unit along with Clayton W. Williams, Jr., Inc.'s State "A" A/C 2 Nos. 36, 42, 62, and 73. This proration unit comprises the whole of Section 11, T-22-S, R-36-E, Lea County, New Mexico.

Company: MARATHON OIL Co.
Representative: _____
Signature: RW Tracy for DJL
Title: ENG. MANG.
Date: 12/18/91

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:

THE APPLICATION OF SUN EXPLORATION
AND PRODUCTION COMPANY FOR AMENDMENT
OF DIVISION ORDER NO. R-6483, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 16, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of January, 1988, 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 on this cause and the subject matter thereof.

(2) By Order No. R-6483 dated October 20, 1980, the Division authorized the Sun Exploration and Production Company to simultaneously dedicate its State "A" A/C-2 Wells Nos. 14, 36, 42, and 62 located respectively in Units B, M, E, and K of Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to a standard 640-acre Jalmat Gas Pool proration unit consisting of said Section 11.

(3) The applicant in the present case, Sun Exploration and Production Company, seeks the amendment of said Division Order No. R-6483, for approval of an unorthodox Jalmat Gas Pool well location for its State "A" A/C-2 Well No. 73 located 990 feet from the South line and 660 feet from the East line (Unit P) of

CASE NO. 9275
Order No. R-8575

R-8575-A

R-6483

R-5493

R-3892

R-3892-A

R-609

R-520

said Section 11, and to further authorize the simultaneous dedication of the above described gas proration unit to its State "A" A/C-2 Well No. 73 and to the existing wells described in Finding No. (2) above.

(4) The applicant testified that the State "A" A/C-2 Well No. 73 was originally drilled at a standard oil well location within the Arrowhead-Grayburg Pool, was subsequently tested within the Grayburg formation, and proved to be non-commercial.

(5) The applicant further testified that said State "A" A/C-2 Well No. 73 was subsequently recompleted in the Penrose formation of the Jalmat Gas Pool and is currently capable of commercial production in said pool.

(6) The applicant presented drainage calculations which indicate that said State "A" A/C-2 Well No. 73 will drain a portion of the proration unit not currently being drained by the existing wells.

(7) The applicant further testified that approval of the subject application will enable the production of remaining gas reserves within the Jalmat Gas Pool underlying the proration unit which would otherwise not be recovered by the existing wells, thereby preventing waste.

(8) No offset operator objected to the proposed unorthodox location and simultaneous dedication.

(9) 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:

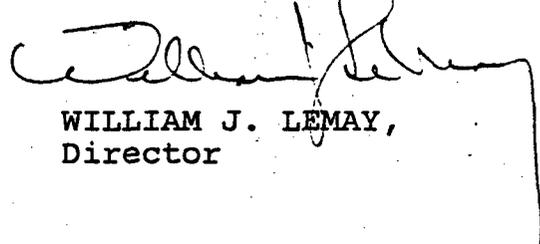
(i) Ordering Paragraph No. (2) of Division Order No. R-6483 is hereby amended to read in its entirety as follows:

"The applicant is further authorized to simultaneously dedicate its State "A" A/C-2 Wells Nos. 14, 36, 42, and 62 located respectively in Units B, M, E, and K of Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, and its State "A" A/C-2 Well No. 73 located at an unorthodox location 990 feet from the South line and 660 feet from the East line (Unit P) of said Section 11, also hereby approved, to a standard 640-acre Jalmat Gas Pool proration unit consisting of all of said Section 11."

(2) 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

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. 9774
ORDER NO. R-8575-A
R-6483-A

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. TO AMEND DIVISION
ORDERS R-6483 AND R-8575 AND FOR
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. 9775 and 9776 for the purpose of testimony.
- (3) By Division Order No. R-6483 dated October 20, 1980, the Division, in part, authorized the operator to simultaneously dedicate the State "A" A/C-2 Well Nos. 14, 36, 42 and 62 located respectively in Units B, M, E and K of Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to a standard 640-acre Jalmat Gas Pool proration unit comprising all of said Section 11.

Case No. 9774
Order No. R-8575-A
R-6483-A
Page No. 2

(4) On January 4, 1988, by Division Order No. R-8575, said Order No. R-6483 was amended to include the State "A" A/C-2 Well No. 73, located at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of said Section 11, in the simultaneous dedication of said 640-acre Jalmat Gas proration unit.

(5) The applicant, Hal J. Rasmussen Operating, Inc., now seeks to amend both Division Order Nos. R-6483 and R-8575 by authorizing special metering provisions for Jalmat Gas production whereby the operator would meter the total gas production from said unit and allocate this production back to each of the aforementioned wells by means of periodic testing.

(6) Because the production is from a single gas proration unit in the Jalmat Gas Pool, the working interest and royalty ownership will not be adversely affected by granting this application.

(7) Doyle Hartman, an operator and mineral interest owner in the Jalmat Gas Pool, appeared at the hearing and objected to this application.

(8) No offsetting owners, operators or gas purchasers objected to this application.

(9) The applicant is taking over as gas purchaser/transporter for properties in this area including this proration unit and seeks to utilize a system of gas measurement and allocation to unit wells that will eliminate the need for a meter at each well and the associated costs.

(10) The applicant's proposed metering and testing procedures provide that one of the five unit wells will be flowing through a test meter on a daily basis for 48 hours with each other unit well being tested in turn so that after the 10th day, the first well will go back on test for two days. The wells not on test will be flowing through a field production meter. The daily amount of gas credited to the wells on this system would be the total of the production through both the field and test meters. The production will be allocated back to each one of the wells on the unit based upon the data derived from the periodic testing through the test meter.

(11) It is the intention of the applicant in his request to reduce production costs and to more efficiently operate the subject proration unit by consolidating production facilities and to eliminate unnecessary equipment.

(12) The reduced cost of operation is expected to extend the economical life of the wells on the proration unit, increase the ultimate recovery of gas therefrom and thereby prevent waste.

Case No. 9774

Order No. R-8575-A

R-6483-A

Page No. 3

(13) 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.

(14) 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 is necessary to prevent waste or protect correlative rights.

(15) 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) Division Order Nos. R-6483 and R-8575 are hereby amended to include a provision for special metering provisions for Jalmat Gas Pool production from the operator's standard 640-acre gas spacing and proration unit comprising all of Section 11, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, being simultaneously dedicated to the State "A" A/C-2 Well Nos. 14, 36, 42, 62 and 73 all located in Units B, M, E, K and P, respectively, of said Section 11.

(2) Said special metering provisions shall be carried out as described in Finding Paragraph No. (10) above.

(3) The applicant in this matter, Hal J. Rasmussen Operating, Inc., 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 the subject proration unit and as transporter for the wells involved herein.

(4) 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.

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



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

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE '91 DEC 12 AM 8 55

12-9-91

BRUCE KING
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 _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Clayton W. Williams Jr Inc. State A A/c-2 # 15-C 11-22-36
 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