

GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741

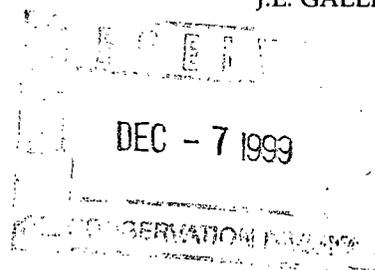
CONFIRMATION COPY
OF FACSIMILE

December 6, 1999
(Our File No. 99-1.80)

J.E. GALLEGOS *

VIA TELECOPY

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: Administrative Order SD-99-13

Dear Director Wrotenbery:

On behalf of Doyle Hartman, I am responding to your unsolicited and unexpected Order contained in a letter of November 4, 1999 referenced above.

Hartman made no application to the NMOCD for such an order. Evidently, the copy of a letter to GP II Energy, Inc. by Hartman was transformed by the Division into an application for the drilling of a Jalmat infill well on a non-standard proration unit consisting of the NW/4 of Section 8, Township 25 South, Range 37 East. No technical information was supplied by Hartman concerning justification for drilling of an additional well. Moreover, the Division's information concerning the existing wells is erroneous. The F.M. Burleson "WN" Well No. 3 has been in shut-in for several years. There is one producing well on the 160 acre proration unit, being the No. 2 well.

Due to the Orders obtained and sought by SDX Resources for dense development of the offsetting Section 5 (proposed Wells Federal Nos. 21, 22, 23 and 25), Hartman may be forced to drill another well on his F.M. Burleson Lease. Should that become a necessity, Hartman will make application and give notice to all offsetting operators and in doing so, as in the past, will provide evidence which establishes whether or not the existing well is efficiently and economically draining the 160 proration unit.

Thank you for your attention to the correction of the Division records in this matter.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By

J.E. GALLEGOS

JEG:sa

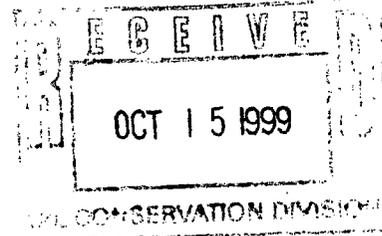
fxc: Doyle Hartman
cc: Michael Stogner
Chris Williams, NMOCD Hobbs District
ioc: Michael J. Condon

* New Mexico Board of Legal Specialization
Recognized Specialist in the area of
Natural Resources-Oil and Gas Law

DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(915) 684-4011
(915) 682-7616 FAX



Via Hand-Delivery, Certified Mail, Return Receipt Requested and U.S. Mail

October 14, 1999

GP II Energy, Inc.
Oil & Gas Exploration & Production
731 Wadley (79705)
P.O. Box 50682
Midland, TX 79710

Attn: George Mitchell, President
Chris Mitchell, Foreman

Re: Notice of Proposed Jalmat Well
F.M. Burleson No. 4
660' FNL and 1980' FWL (C)
T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

In order to protect our F.M. Burleson Jalmat Gas Pool rights from offset drainage by Jalmat Gas Pool wells recently drilled by SDX Resources, Inc. (SDX), or from Jalmat wells presently proposed by SDX, today, John West Engineering Company will be staking our F.M. Burleson No. 4 Jalmat infill well, at a primary non-standard location consisting of 660' FNL and 1980' FWL, Section 8, T-25-S, R-37-E, Lea County, New Mexico.

Our chosen location of 660' FNL and 1980' FWL of Section 8 is the optimum geological location for an infill Jalmat well, and is adjacent to your Langlie Jal Unit (LJU) No. 72 well, which was an original LJU producer, but was converted to water injection in 1986. The 5-1/2" production string, in the LJU No. 72 well, was run and cemented in 1937, using only 50 sacks of cement.

Since it presently appears that our J.W. Sherrell No. 10 Jalmat Gas Pool well (located in C-6-25S-37E, and also situated within the boundaries of the LJU) may be producing LJU injection water that has escaped from its approved injection interval, we need to promptly know if any of the various operators of the LJU have ever experienced any injection problems whatsoever with the LJU No. 72 or surrounding injection wells. It is imperative that we be immediately provided with this information, before we initiate the process of investing almost \$400,000, and considerable time, to drill and complete our proposed F.M. Burleson No. 4 Jalmat well.

GP II Energy, Inc.
Oil & Gas Exploration & Production
October 14, 1999
Page 2

A copy of this letter is also being sent to the NMOCD, as well as Burlington Resources (former operator), so that the NMOCD and Burlington will be aware of this request for information. If you or your predecessors-in-interest (Burlington Resources and Union Texas) have ever had any injection problems whatsoever, at any time, with the LJU No. 72, or surrounding injection wells, it would be better that you promptly come forward, at this time, with any such information, before our proposed well is drilled. When discovered, except on the edges of the pool, in the reef trend, the Jalmat interval was not productive of water, and any water production found today on the F.M. Burleson lease can only be attributed to out-of-zone injection water caused by some combination of (1) over-injection, (2) excessive injection pressures, and/or (3) poor wellbore integrity.

Moreover, since you are the present operator of the LJU No. 72 well, we also request a complete history of monthly injection pressure data and monthly injection rate data for the LJU No. 72, to assist in analyzing (1) if the injection-zone parting pressure for the LJU No. 72 has been exceeded, and (2) if the injectivity coefficient has ever dramatically improved.

If there have not been any injection problems with your LJU No. 72 well, and surrounding injection wells, we respectfully request that you execute the enclosed statement and return it to us in the herein-enclosed pre-addressed and stamped envelope. Better yet, we will be happy to send someone by your office and pick up your executed statement. Since time is critical, please let us promptly hear from you.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

enclosures

rcs
wpdocs\corresp.dh\gpII-burleson.#4

cc: Michael Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

GP II Energy, Inc.
Oil & Gas Exploration & Production
October 14, 1999
Page 3

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Chris Williams, Supervisor
New Mexico Oil Conservation Division
1625 French Dr.
Hobbs, NM 88240

Burlington Resources
3300 N. A Street, Bldg. 6 (79705)
P.O. Box 51810
Midland, TX 79710-1810
Attn: Don W. Davis, Regional Landman
Paul Callaway, Production Superintendent

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael J. Condon

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Jal Field Office)
Harold Swain

DOYLE HARTMAN, Oil Operator (Midland)
Linda Land
Don Mashburn
Steve Hartman
Sheila Potts

GP II Energy, Inc.
Oil & Gas Exploration & Production
October 14, 1999
Page 4

**GP II ENERGY, INC.
OIL & GAS EXPLORATION & PRODUCTION**

As Operator of the Langlie Jal Unit No. 72 well, and surrounding injection wells, we have carefully researched all of our pertinent files and records, and we hereby attest, by our signature below, that there have been no water injection problems experienced by us or our predecessors-in-interest, of which we are aware, related to the LJU No. 72 water injection well, and surrounding injection wells, and that a Jalmat Yates well drilled in C-8-25S-37E should not encounter out-of-zone LJU injection water in the Yates formation.

By: _____

Title: _____

Date: _____

GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. (505) 983-6686
Telefax No. (505) 986-0741 or (505) 986-1367

CLIENT: HARTMAN
CLIENT NO.: 99-1.80

DATE: December 6, 1999
TO: Lori Wrotenbery
COMPANY: Oil Conservation Division
TELEFAX NO.: (505) 827-8177
FROM: J. E. Gallegos

MESSAGE:

NUMBER OF PAGES INCLUDING COVER SHEET: 2

IMPORTANT

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS CONFIDENTIAL AND INTENDED SOLELY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION, COPYING, OR UNAUTHORIZED USE OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE NOTIFY THE SENDER IMMEDIATELY BY TELEPHONE, AND RETURN THE FACSIMILE TO THE SENDER AT THE ABOVE ADDRESS VIA THE UNITED STATES POSTAL SERVICE. THANK YOU.

GALLEGOS LAW FIRM

A Professional Corporation

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 Building 300
 Santa Fe, New Mexico 87505
 Telephone No. 505-983-6686
 Telefax No. 505-986-1367
 Telefax No. 505-986-0741

December 6, 1999
 (Our File No. 99-1.80)

J.E. GALLEGOS *

VIA TELECOPY

Lori Wrotenbery, Director
 New Mexico Oil Conservation Division
 2040 South Pacheco
 Santa Fe, New Mexico 87505

Re: Administrative Order SD-99-13

Dear Director Wrotenbery:

On behalf of Doyle Hartman, I am responding to your unsolicited and unexpected Order contained in a letter of November 4, 1999 referenced above.

Hartman made no application to the NMOCD for such an order. Evidently, the copy of a letter to GP II Energy, Inc. by Hartman was transformed by the Division into an application for the drilling of a Jalmat infill well on a non-standard proration unit consisting of the NW/4 of Section 8, Township 25 South, Range 37 East. No technical information was supplied by Hartman concerning justification for drilling of an additional well. Moreover, the Division's information concerning the existing wells is erroneous. The F.M. Burselson "WN" Well No. 3 has been in shut-in for several years. There is one producing well on the 160 acre proration unit, being the No. 2 well.

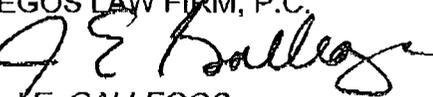
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Thank you for your attention to the correction of the Division records in this matter.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By


 J.E. GALLEGOS

JEG:sa

fxc: Doyle Hartman
 cc: Michael Stogner
 Chris Williams, NMOCD Hobbs District
 ioc: Michael J. Condon

* New Mexico Board of Legal Specialization
 Recognized Specialist in the area of
 Natural Resources-Oil and Gas Law

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December 6, 1999
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Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

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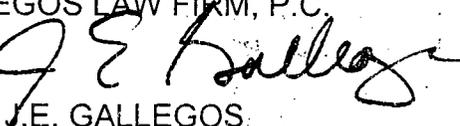
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Thank you for your attention to the correction of the Division records in this matter.

Sincerely,

GALLEGOS LAW FIRM, P.C.

By



J.E. GALLEGOS

JEG:sa

fxc: Doyle Hartman
cc: Michael Stogner
Chris Williams, NMOCD Hobbs District
ioc: Michael J. Condon

* New Mexico Board of Legal Specialization
Recognized Specialist in the area of
Natural Resources-Oil and Gas Law

SD 11/4/99

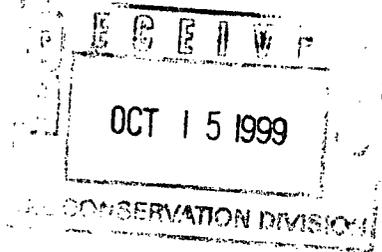
NSP-624

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(915) 684-4011
(915) 682-7616 FAX



Via Hand-Delivery, Certified Mail, Return Receipt Requested and U.S. Mail

October 14, 1999

GP II Energy, Inc.
Oil & Gas Exploration & Production
731 Wadley (79705)
P.O. Box 50682
Midland, TX 79710

Attn: George Mitchell, President
Chris Mitchell, Foreman

Re: Notice of Proposed Jalmat Well
F.M. Burleson No. 4
660' FNL and 1980' FWL (C)
T-25-S, R-37-E
Lea County, New Mexico

Sub-B -

Gentlemen:

In order to protect our F.M. Burleson Jalmat Gas Pool rights from offset drainage by Jalmat Gas Pool wells recently drilled by SDX Resources, Inc. (SDX), or from Jalmat wells presently proposed by SDX, today, John West Engineering Company will be staking our ~~F.M. Burleson No. 4 Jalmat infill well at a primary non-standard location consisting of 660' FNL and 1980' FWL, Section 8, T-25-S, R-37-E, Lea County, New Mexico.~~

Our chosen location of 660' FNL and 1980' FWL of Section 8 is the optimum geological location for an infill Jalmat well, and is adjacent to your Langlie Jal Unit (LJU) No. 72 well, which was an original LJU producer, but was converted to water injection in 1986. The 5-1/2" production string, in the LJU No. 72 well, was run and cemented in 1937, using only 50 sacks of cement.

Since it presently appears that our J.W. Sherrell No. 10 Jalmat Gas Pool well (located in C-6-25S-37E, and also situated within the boundaries of the LJU) may be producing LJU injection water that has escaped from its approved injection interval, we need to promptly know if any of the various operators of the LJU have ever experienced any injection problems whatsoever with the LJU No. 72 or surrounding injection wells. It is imperative that we be immediately provided with this information, before we initiate the process of investing almost \$400,000, and considerable time, to drill and complete our proposed F.M. Burleson No. 4 Jalmat well.

GP II Energy, Inc.
Oil & Gas Exploration & Production
October 14, 1999
Page 2

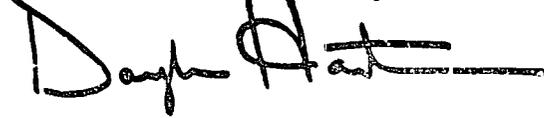
A copy of this letter is also being sent to the NMOCD, as well as Burlington Resources (former operator), so that the NMOCD and Burlington will be aware of this request for information. If you or your predecessors-in-interest (Burlington Resources and Union Texas) have ever had any injection problems whatsoever, at any time, with the LJU No. 72, or surrounding injection wells, it would be better that you promptly come forward, at this time, with any such information, before our proposed well is drilled. When discovered, except on the edges of the pool, in the reef trend, the Jalmat interval was not productive of water, and any water production found today on the F.M. Burleson lease can only be attributed to out-of-zone injection water caused by some combination of (1) over-injection, (2) excessive injection pressures, and/or (3) poor wellbore integrity.

Moreover, since you are the present operator of the LJU No. 72 well, we also request a complete history of monthly injection pressure data and monthly injection rate data for the LJU No. 72, to assist in analyzing (1) if the injection-zone parting pressure for the LJU No. 72 has been exceeded, and (2) if the injectivity coefficient has ever dramatically improved.

If there have not been any injection problems with your LJU No. 72 well, and surrounding injection wells, we respectfully request that you execute the enclosed statement and return it to us in the herein-enclosed pre-addressed and stamped envelope. Better yet, we will be happy to send someone by your office and pick up your executed statement. Since time is critical, please let us promptly hear from you.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a horizontal line extending to the right.

Doyle Hartman

enclosures

rcs
wpdocs\corresp.dh\gpII-burleson.#4

cc: Michael Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

GP II Energy, Inc.
Oil & Gas Exploration & Production
October 14, 1999
Page 3

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Chris Williams, Supervisor
New Mexico Oil Conservation Division
1625 French Dr.
Hobbs, NM 88240

Burlington Resources
3300 N. A Street, Bldg. 6 (79705)
P.O. Box 51810
Midland, TX 79710-1810
Attn: Don W. Davis, Regional Landman
Paul Callaway, Production Superintendent

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael J. Condon

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Jal Field Office)
Harold Swain

DOYLE HARTMAN, Oil Operator (Midland)
Linda Land
Don Mashburn
Steve Hartman
Sheila Potts

GP II Energy, Inc.
Oil & Gas Exploration & Production
October 14, 1999
Page 4

**GP II ENERGY, INC.
OIL & GAS EXPLORATION & PRODUCTION**

As Operator of the Langlie Jal Unit No. 72 well, and surrounding injection wells, we have carefully researched all of our pertinent files and records, and we hereby attest, by our signature below, that there have been no water injection problems experienced by us or our predecessors-in-interest, of which we are aware, related to the LJU No. 72 water injection well, and surrounding injection wells, and that a Jalmat Yates well drilled in C-8-25S-37E should not encounter out-of-zone LJU injection water in the Yates formation.

By: _____

Title: _____

Date: _____

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/03/99 17:53:30
OGOMES -TPEC
PAGE NO: 1

Sec : 08 Twp : 25S Rng : 37E Section Type : NORMAL

D 40.00 Fee owned U A A	C 40.00 Fee owned U A A	B 40.00 Federal owned U A	A 40.00 Federal owned U A A
E 40.00 Fee owned U A	F 40.00 Fee owned U A A	G 40.00 Federal owned U A A	H 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/03/99 17:53:37
OGOMES -TPEC
PAGE NO: 2

Sec : 08 Twp : 25S Rng : 37E Section Type : NORMAL

L 40.00 Fee owned A	K 40.00 Fee owned A	J 40.00 Federal owned U A A	I 40.00 Federal owned U A
M 40.00 Fee owned A A	N 40.00 Fee owned A	O 40.00 Federal owned U A A	P 40.00 Federal owned U A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

OIL CONSERVATION COMMISSION

P.O. BOX 871

SANTA FE, NEW MEXICO

November 25, 1962

December 10, 1962
~~November 30, 1962~~

Western Natural Gas Company
Main-Midland Tower Building
2215 Grand Avenue
Midland, Texas

Attention: Mr. R. H. McKay
Attention: Mr. Paul Woodard

Administrative Order NSP-524

Gentlemen:

Application for 160-acre non-standard gas
proportion unit and unorthodox location for
the Burlington Oil Well, Jansen Pool, compris-
ing 1980 feet from the North line and 1310 feet
from the West line of said Section 8.

Reference is made to your application for approval of
a 160-acre non-standard gas proportion unit in the Jansen Gas
Pool consisting of the following acreage:

Gentlemen:

LEA COUNTY, NEW MEXICO

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NEEN

We have Section 8, NW/4
from office operations concerning the above application. How-
ever, it is understood that this unit is to be dedicated to
the Burlington Well No. 2, located 1980 feet from the North
line and 1310 feet from the West line of said Section 8.

By authority granted me under the provisions of Order
NSP-1578 governing the Jansen Gas Pool, you are hereby
authorized to operate the above described acreage as a non-
standard gas proportion unit, with allowable to be assigned
thereto in accordance with the pool rules, based upon the
unit size of 160 acres. This approval of the non-standard
gas proportion unit will expire December 10. We will issue ap-
proval of the non-standard gas proportion unit on the above date
or upon receipt of a waiver from you. Once it is received the
same prior to December 10.

Very truly yours,
A. D. PORTER, JR.,
Secretary-Director

ALP/JMD/esr

JAMES M. DURRETT, JR.,
Attorney

cc: Oil Conservation Commission - Hobbs

JMD/esr Oil & Gas Engineering Committee - Hobbs

Enclosure

COPY



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 16, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

ARCO Oil and Gas Company
P. O. Box 1610
Midland, Texas 79702

Attention: Mr. J. L. Tweed

Administrative Order NSL-1226

Gentlemen:

Reference is made to your application for approval of a non-standard location for your F. M. Burleson Well No. 3 to be located 330 feet from the North line and 330 feet from the West line of Section 8, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

Also, you are hereby authorized to simultaneously dedicate an existing 160-acre proration unit, previously approved by NSP-624, and comprising the NW/4 of said Section 8 to your Burleson Well No. 2 in Unit F and your Burleson Well No. 3 in Unit D of said section, Lea County, New Mexico. Further, you are hereby permitted to produce the allowable from any of the wells on the proration unit in any proportion.

By authority granted me under the provisions of Rule 3 of Order No. R-1670, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs

DOYLE HARTMAN

Oil Operator

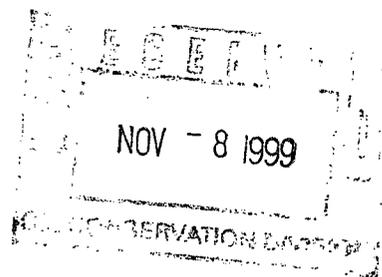
500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX



Via Hand-Delivery, Facsimile (915) 570-4748

November 5, 1999

GP II Energy, Inc.
Oil & Gas Exploration & Production
731 Wadley (79705)
P.O. Box 50682
Midland, TX 79710

Attn: George Mitchell, President
Chris Mitchell, Foreman

Re: Proposed Jalmat Infill Well
F.M. Burleson No. 4
660' FNL and 1980' FWL (C)
T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

We are in receipt of your letters dated October 28, 1999 and November 2, 1999, and thank you for the Langlie Jal Unit No. 72 well data included therewith. As to your letters, we would like to set straight the impression given in your letter that the cost of a modern Jalmat wellbore is \$400,000, as compared to your offer to sell to us the Langlie Jal Unit No. 72 wellbore for \$40,000. The \$400,000 referenced in our letter of October 14, 1999, pertains to the entire cost to drill, complete, and place on production an efficient Jalmat gas well equipped with 7" O.D. production casing, not just the cost to drill a well to total depth and run and cement pipe.

As to your offer to sell the Langlie Jal Unit No. 72 wellbore for \$40,000, please be advised, for the following reasons, the Langlie Jal Unit No. 72 wellbore is not useable for accomplishing a modern efficient Jalmat gas completion.

- (1) In November, 1937, the Langlie Jal Unit No. 72 5-1/2" O.D. production string was set at 3242', with a very minimal 100' distance between the base of the Yates formation and the top of the original 234' open-hole Seven Rivers completion interval (scout ticket and log enclosed).
- (2) The 5-1/2" O.D. production casing was cemented with a sub-marginal 50 sacks of non-API non-sulfate-resistant cement.

GP II Energy, Inc.
Oil & Gas Exploration & Production
November 5, 1999
Page 2

- (3) The original Seven Rivers open-hole section, from 3242' to 3476', was initially stimulated with a substantial 300 quarts of nitroglycerin, which in all probability shattered any cement bond formed by the original 50-sack cement volume.
- (4) Water has been injected into the Langlie Jal Unit No. 72 20-acre injection well at wellhead pressures in excess of the parting-pressure limit of 670 psig, as set by the New Mexico Oil Conservation Division, in Order No. WFX-552 (i.e., in excess of 0.2 psi/ft).
- (5) Our south-offset F.M. Burleson No. 2 Jalmat gas well (F-8-25S-37E) produces water from the naturally non-water-productive Yates formation, which water most certainly is coming from surrounding injection wells. In consideration of the fact that the production string for the Langlie Jal Unit No. 79 well (a twin to the F.M. Burleson No. 2) was cemented back to surface, it is less likely that the Langlie Jal Unit No. 79 is the source of the out-of-zone water production negatively impacting our F.M. Burleson No. 2 well, than the much older inferior-quality Langlie Jal Unit No. 72 wellbore.

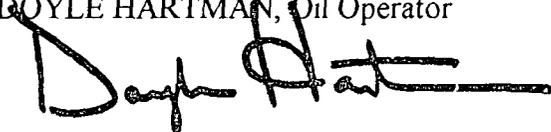
However, based on a first review, it does appear that GP II Energy's Langlie Jal Unit No. 112 well, which is a 20-acre marginal oil producer, and also penetrates our Jalmat Yates gas rights in the NW/4 Section 8, T-25-S, R-37-E, Lea County, New Mexico, may be a useable wellbore for the recovery of our remaining Jalmat Yates gas reserves in the NW/4 Section 8, T-25-S, R-37-E, Lea County, New Mexico.

Therefore, if you are agreeable to selling your wellbore rights to the marginal Langlie Jal Unit No. 112 well, we will have Mr. James A. Davidson (915-682-6482) arrange an appointment to promptly meet with you to work out the details of such a transaction, which appointment shall be immediately after we have had the opportunity to log, at our expense, the Langlie Jal Unit No. 112 well with a CNL-DAS-GR-CCL log and USI-GR-CCL log. In this regard, please find enclosed a completion history, open-hole log, and production plot for the Langlie Jal Unit No. 112 well situated 1300' FNL and 1355' FWL (C), Section 8, T-25-S, R-37-E.

Please let us know, as soon as possible, when we can put a well service unit on the Langlie Jal Unit No. 112 well and run follow-up cased-hole logs.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Doyle Hartman

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enclosures

rca
wp7\corresp.dh\gpII5burleson

cc: New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
Attn: Lori Wrotenbery, Director
Michael Stogner, Chief Hearing Officer

Chris Williams, Supervisor
New Mexico Oil Conservation Division
1625 French Dr.
Hobbs, NM 88240

Burlington Resources
3300 N. A Street, Bldg. 6 (79705)
P.O. Box 51810
Midland, TX 79710-1810
Attn: Don W. Davis, Regional Landman
Paul Callaway, Production Superintendent

Canon Short and Gaston
P.O. Box 2890
Midland, Texas 79702

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael J. Condon

DOYLE HARTMAN, Oil Operator (Jal Field Office)
Harold Swain

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DOYLE HARTMAN, Oil Operator (Dallas)

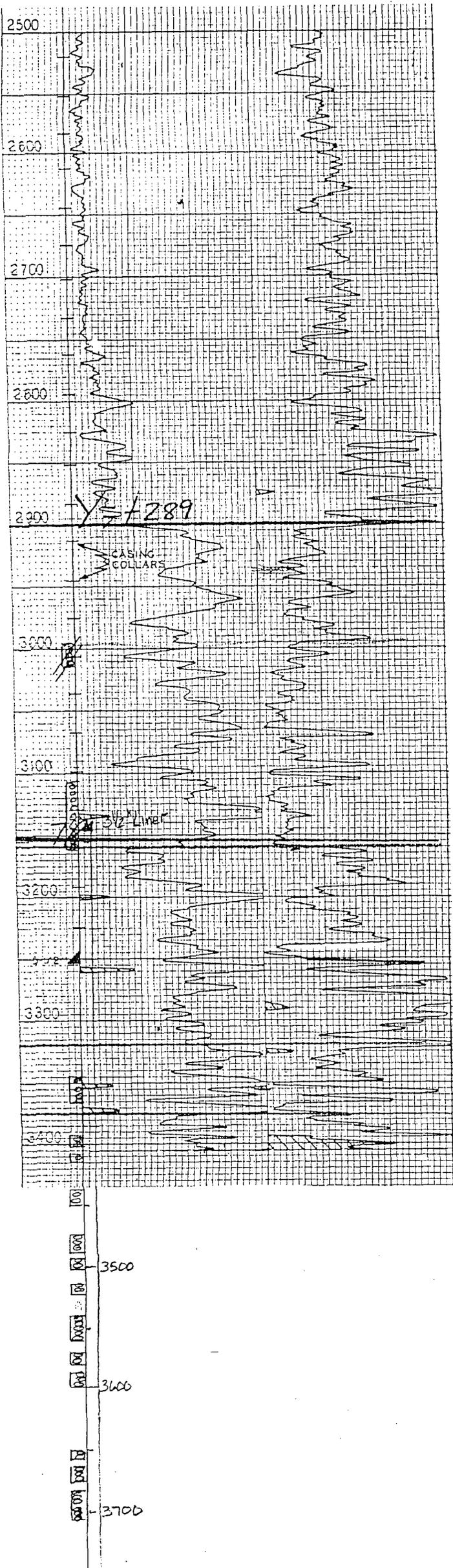
DOYLE HARTMAN, Oil Operator (Midland)

Linda Land

Don Mashburn

Steve Hartman

Sheila Potts



C-8-25-37

COMPANY GP II Energy, Inc.

WELL Langlie Jal Unit No. 72
(Burleson No. 1)

FIELD Langlie Mattix/Jalmat

LOCATION 660' ENL & 2310' FWL (C)
Section 8, T-25-S, R-37-E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB _____
DF _____
GL 3189'

COMPLETION RECORD

SPUD DATE 11-12-37 COMP. DATE 12-26-37

TD 3476' PBD _____

CASING RECORD 8 5/8" @ 2767' w/900 sxs.
5 1/2" @ 3242' w/50 sxs.
(12 1/2" @ 266' w/250 sxs.)

PERFORATING RECORD OH: 3242-3476'

STIMULATION shot/300 q/s SNG (3325-3476')

IP F = 155 BOPD + 260 MCFD

GOR _____ GR _____

TP _____ CP _____

CHOKE 30/64" TUBING 2" @ 3430'

REMARKS 12-6-47: Fill hole w/mud. Set BP @ 3200' w/16' cmt cap. Perf 3112-60' w/94. Ran 2" log @ 3140' F/1500 MCF, no trace oil.
12-12-47: Set BP @ 3100' w/16' cmt cap. Perf 3000-3012' w/23. F/24 BO/hr. Chk 1/2"
3-20-74: Sazed w/350 sxs. cmt 3000-3012'. CO to 3476'. Ran log to 3402'.
9-11-74: Deepened to 3748'. Ran 3 1/2" liner, 3145-3748' w/200 sxs. Perf 3651-3704 w/39. A/3000. Ran 2 3/8" log. POP.
7-15-75: Set BP @ 3300' w/15' sd. & pkr @ 2965'. Sazed top of 3 1/2" liner w/100 sxs. Sazed hole @ 2873' w/50 sxs. Perf 3348-3595' w/54. SF/42,000 + 42,000. POP.
12-21-92: Wash to 3591'. Could not go deeper.

LANGLIE JAL UNIT # 72 - (20-Acre Inj. Well)

LANGLIE MATTIX (7 RVS QN GRB)

C-8-25S-37E

GP II ENERGY

