

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

ANNIE-LAURIE COOGAN
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

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

November 1, 1991

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

NOV 1 1991
OIL CONSERVATION DIVISION

Re: Application of Tahoe Energy Inc. for Administrative Approval of a 120-Acre Non-Standard Jalmat Gas Proration Unit Comprised of the W/2 SW/4 and SW/4 NW/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Dear Mr. LeMay:

Tahoe Energy Inc., hereby makes application for administrative approval of a non-standard Jalmat gas proration unit comprised of the W/2 SW/4 and SW/4 NW/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. This non-standard unit will be dedicated to Tahoe's Sholes "A" 19-1 Well located in the NW/4 SW/4 of said Section 19.

A non-standard unit comprised of the W/2 W/2 of Section 19 had previously been approved and dedicated to the Sholes "A" 19-1 Well. However, when Tahoe's Junk Yard Dog No. 1 Well located 660 feet from the North and 360 feet from the West line, which had been drilled as a second gas well on this unit, was an oil well, the NW/4 NW/4 of Section 19 had to be dedicated to it and a new non-standard spacing and proration unit created for the Sholes "A" 19-1 Well.

This non-standard unit qualifies for administrative approval since it consists of quarter-quarter sections that are contiguous by a common bordering side and lies wholly within a single governmental section in the Jalmat Gas Pool.

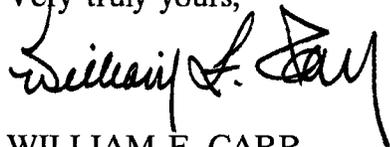
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
November 1, 1991
Page Two

Notice of this application has been provided by Certified Mail to all offsetting operators and all operators in Section 19, and their waiver of objection has been requested.

Enclosed for your review are copies of (1) a plat showing the proposed unit and operators in the affected area and (2) notice letters to all affected operators providing notice of this application as required by Division Rule 104.

Your attention to this application is appreciated.

Very truly yours,



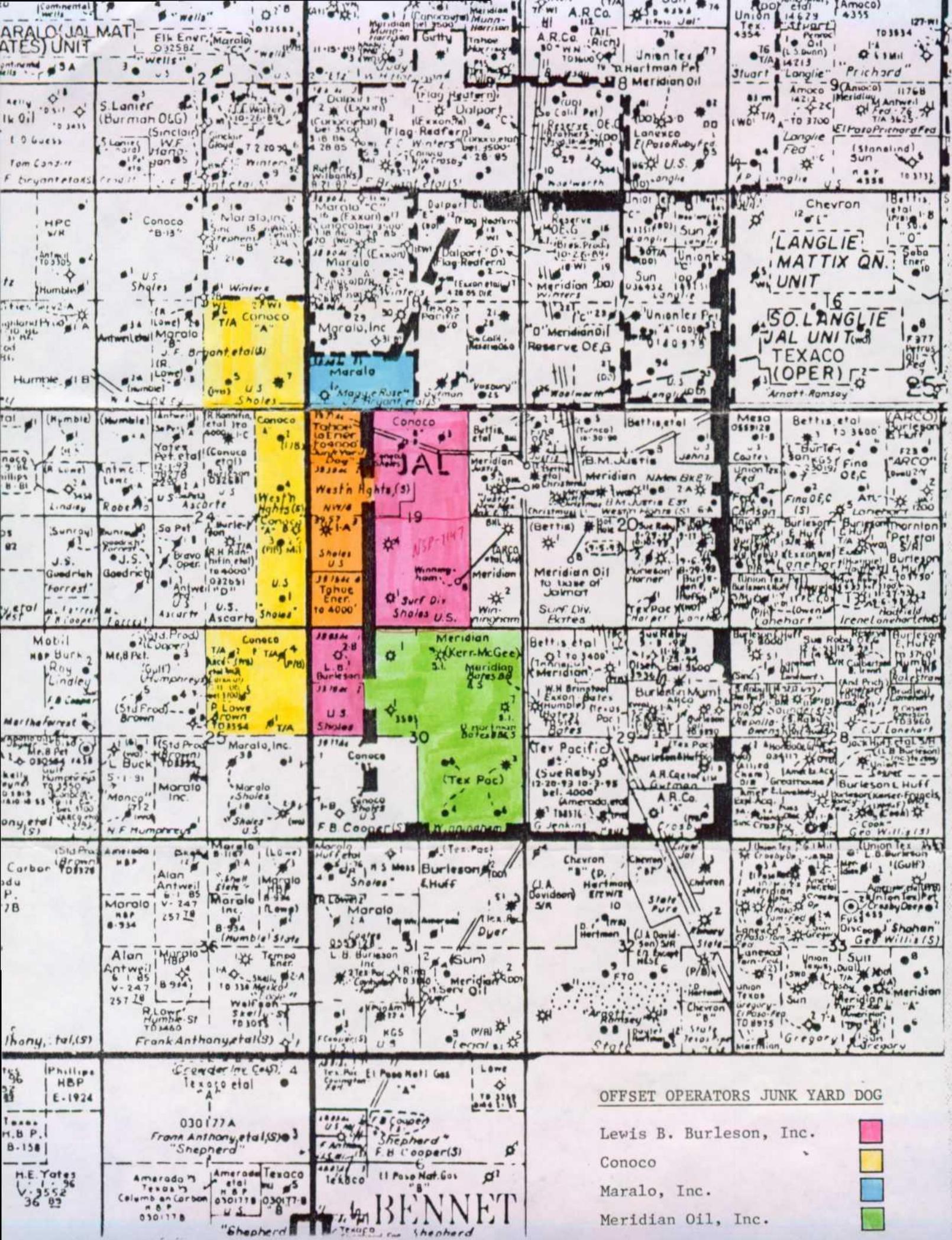
WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures: New Mexico Oil Conservation Division
Hobbs District Office
District II
Box 1980
Hobbs, New Mexico 88240
Attn: Mr. J. T. Sexton
Ms Evelyn Downs

K.A. Freeman, President
Tahoe Energy Inc.
3909 West Industrial Avenue
Midland, Texas 79703



OFFSET OPERATORS JUNK YARD DOG

- Lewis B. Burleson, Inc.
- Conoco
- Maralo, Inc.
- Meridian Oil, Inc.

BENNET

030177A
 Frank Anthony et al (S)
 "Shepherd"

Amerado Texas
 030117B 030177-B
 U.S.

11 Paso Nat. Gas
 "B"

11 Paso Nat. Gas
 "B"

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

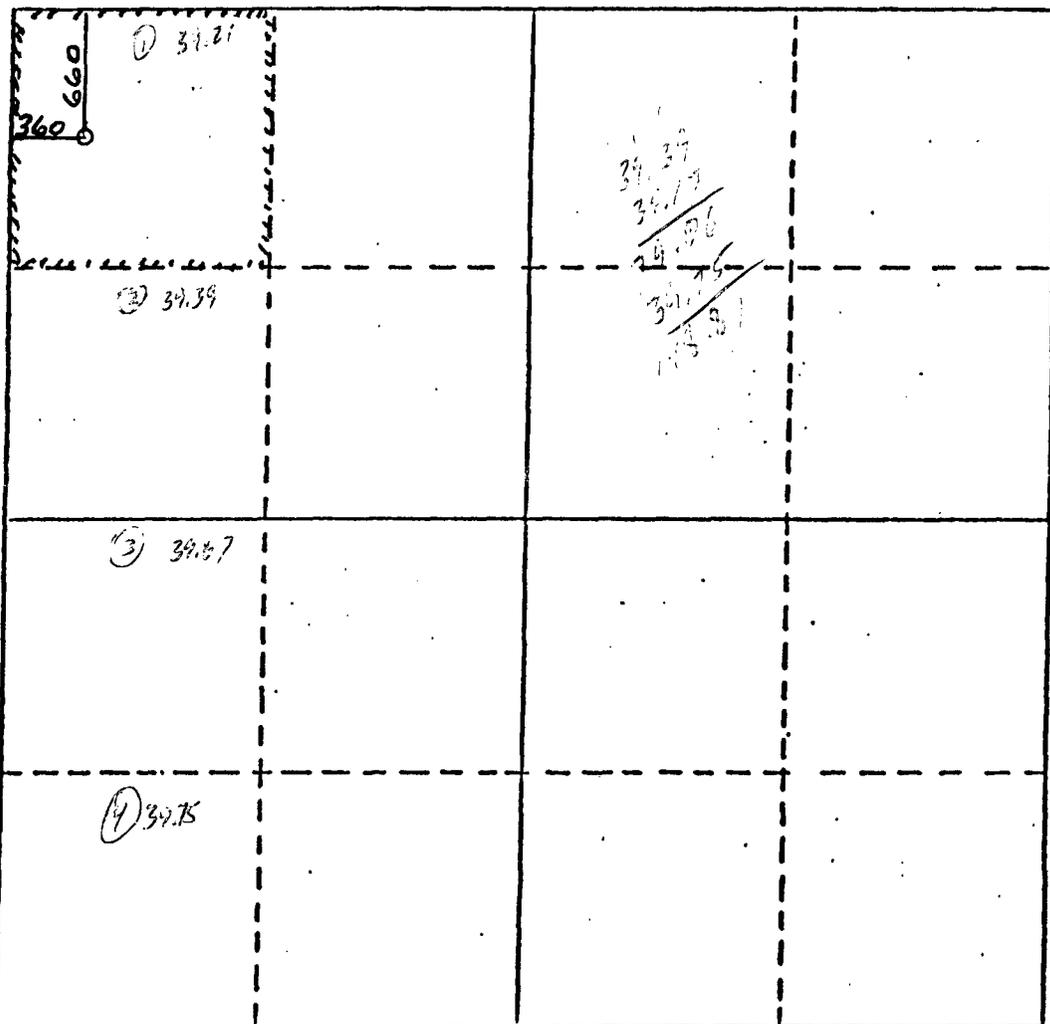
Operator Tahoe Energy, Inc.		Lease Junk Yard Dog			Well No. 1
Unit Letter D	Section 19	Township 25 South	Range 37 East	County Lea	
Actual Footage Location of Well: 660 feet from the North line and 360 feet from the West line					
Ground Level Elev. 3109.5	Producing Formation Yates/Seven Rivers	Pool Jalmat Tansill Yates Seven Rivers	Dedicated Acreage: 40 Acres		

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



CERTIFICATION

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

K.A. Freeman
Name

K.A. Freeman

Position
Petroleum Engineer

Company
Tahoe Energy, Inc.

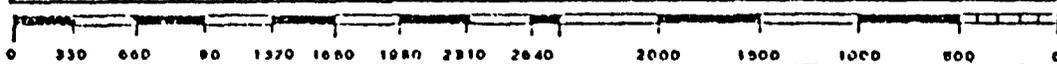
Date
1-23-1991

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
1-22-1991

Registered Professional Engineer
and/or Land Surveyor
Truman Gaskin
Truman Gaskin

Certificate No.
2126



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November 1, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

RECEIVED

NOV 01 1991

Conoco, Inc.
Box 2197
Houston, Texas 77252

OIL CONSERVATION DIVISION

Re: Application of Tahoe Energy Inc. for Administrative Approval of a 120-Acre Non-Standard Jalmat Gas Unit, Comprised of the W/2 SW/4 and SW/4 NW/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Gentlemen:

This letter is to advise you that Tahoe Energy Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking administrative approval of a non-standard spacing or proration unit in the Jalmat Gas Pool comprised of the W/2 SW/4 and the SW/4 NW/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

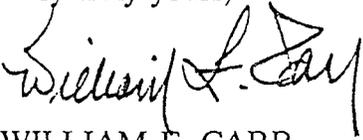
A non-standard unit of the W/2 W/2 of Section 19 has previously been dedicated to this well. However, when Tahoe's Junk Yard Dog No. 1 Well located 660 feet from the North line and 360 feet from the West line of Section 19 was an oil well, the NW/4 NW/4 of Section 19 had to be dedicated to it and a new non-standard proration unit created for the Sholes "A" 19-1 Well.

You may object to this proposed non-standard proration unit within thirty (30) days of the date of this letter. Tahoe Energy Inc., however, requests you waive objection to this proposed non-standard spacing and proration unit. If you are agreeable to doing so, please indicate your waiver by signing and dating this letter where indicated below, and returning one copy to me at the above captioned address.

Conoco, Inc.
November 1, 1991
Page Two

If you have questions concerning this matter do not hesitate to call me or Mr. K. A. Freeman, President of Tahoe Energy Inc., 3909 West Industrial Avenue, Midland, Texas 79703; phone: (915) 697-4173.

Very truly yours,



WILLIAM F. CARR
ATTORNEYS FOR TAHOE ENERGY INC.
WFC:mlh

AGREED TO AND ACCEPTED THIS

_____ day of November, 1991.

(Company Name)

By: _____

Its: _____

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& SHERIDAN, P.A.
LAWYERS

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November 1, 1991

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Maralo, Inc.
5 Postoak Park, Suite 1010
Houston, Texas 77027

RECEIVED
OIL CONSERVATION DIVISION

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Gentlemen:

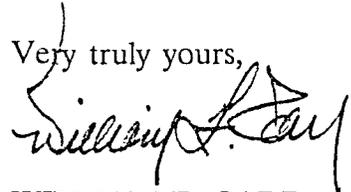
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Maralo, Inc.
November 1, 1991
Page Two

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November 1, 1991

CERTIFIED MAIL
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Lewis B. Burlison, Inc.
Box 2479
Midland, Texas 79702

Re: Application of Tahoe Energy Inc. for Administrative Approval of a 120-Acre Non-Standard Jalmat Gas Unit, Comprised of the W/2 SW/4 and SW/4 NW/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

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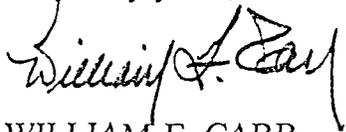
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Lewis B. Burleson, Inc.
November 1, 1991
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WFC:mlh

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(Company Name)

By: _____

Its: _____

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& SHERIDAN, P.A.

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November 1, 1991

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Meridian Oil, Inc.
2929 Allen Parkway, 9th Floor
Houston, Texas 77210

Re: Application of Tahoe Energy Inc. for Administrative Approval of a 120-Acre Non-Standard Jalmat Gas Unit, Comprised of the W/2 SW/4 and SW/4 NW/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

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Meridian Oil, Inc.
November 1, 1991
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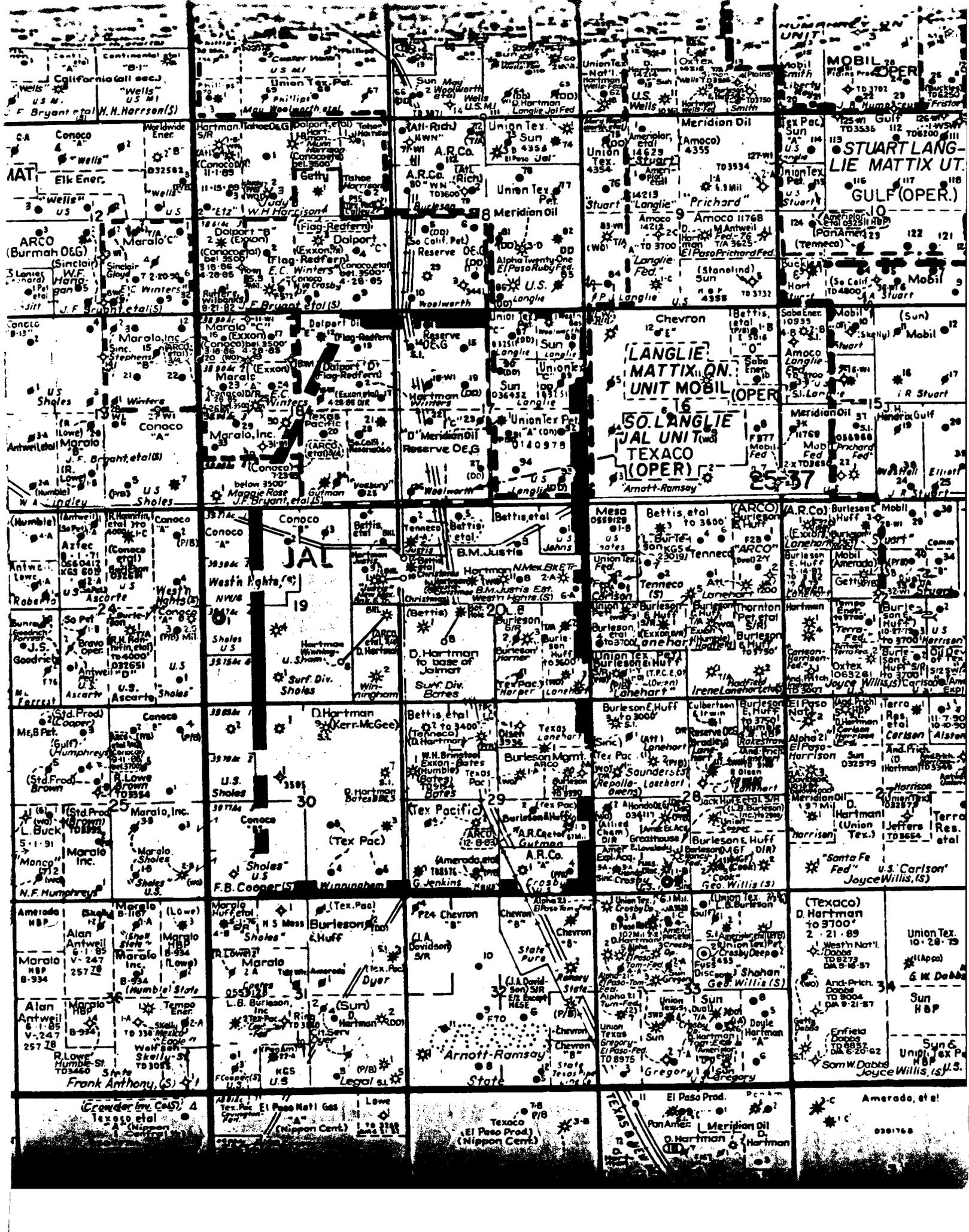
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_____ day of November, 1991.

(Company Name)

By: _____

Its: _____



California (all sec.)
Wells
U.S.M.
F. Bryant et al. H.H. Harrison (S)

Conoco
Elk Ener.
Wells
U.S.

ARCO (Burmah O&G)
Wells
U.S.

Sholes
Wells
U.S.

Union Tex. Pet.
Wells
U.S.M.

Wells
U.S.

Wells
U.S.M.

Wells
U.S.

Wells
U.S.M.

Wells
U.S.

MOBIL OPER
Wells
U.S.M.

STUART LANGLIE MATTIX UT. GULF (OPER.)

Wells
U.S.

Texaco (Nippon Cent)
Wells
U.S.