



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 29, 1993

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

Tahoe Energy, Inc.
3909 W. Industrial Avenue
Midland, TX 79703

Attention: K.A. Freeman

Administrative Order NSP-1646-A

Dear Mr. Freeman:

By Division Order No. R-429, dated April 16, 1954, a 158.02-acre, more or less, non-standard Jalmat gas spacing and proration unit comprising Lots 1 through 4 (W/2 W/2 equivalent) of Section 19, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, was authorized to be dedicated to the Sholes "A" 19 Well No. 1 located 2340 feet from the South line and 300 feet from the West line (Unit L) of said Section 19.

By Division Administrative Order NSP-1646, dated May 1, 1992, the aforementioned 158.02-acre unit was reduced by the deletion of Lot No. 1 (NW/4 NW/4 equivalent, Unit D) of said Section 19, comprising 39.21 acres. Said 39.21-acre tract was subsequently dedicated a Jalmat oil spacing and proration unit to Tahoe's Junk Yard Dog Well No. 1 located 660 feet from the North line and 360 feet from the West line of said Section 19.

It is our understanding at this time, by your application dated February 22, 1993, that the Junk Yard Dog Well No. 1 has been classified as a "Jalmat gas well" and Tahoe seeks to establish the 39.21-acre tract a non-standard gas spacing and proration unit in the Jalmat Gas Pool.

By the authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the above-described 39.21-acre non-standard gas spacing and proration unit in said Jalmat Gas Pool for the Junk Yard Dog Well No. 1, comprising Lot 1 of said Section 19 is hereby approved.

Administrative Order NSP-1646-A

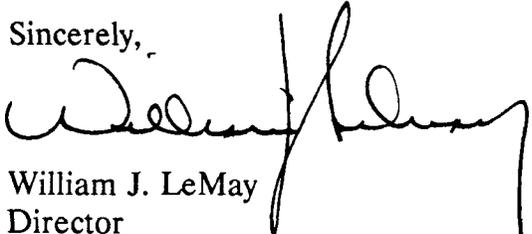
Tahoe Energy, Inc.

March 29, 1993

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All provisions of Division Administrative Order NSP-1646 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a long, sweeping tail that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
File: NSP-1646



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 17, 1992

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

Meridian Oil, Inc.
P.O. Box 51810
Midland, Texas 79710-1810

Attention: Maria L. Perez

Administrative Order NSP-605-A

Dear Ms. Perez:

By Division Order NSP-605, dated July 26, 1962, a 160-acre non-standard Jalmat Gas spacing and proration unit comprising the SE/4 of Section 4, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, was authorized to be dedicated to the J.F. Janda (NCT-J) Well No. 1 located 1650 feet from the South line and 990 feet from the East line (Unit I) of said Section 4.

Reference is now made to your application dated February 13, 1992 to reduce said 160-acre unit by deleting the SE/4 SE/4 (Unit P) of said Section 4, which is being utilized by Chevron U.S.A. Inc. as a 40-acre oil spacing and proration unit in the Jalmat Oil Pool for their J.F. Janda (NCT-J) Well No. 2 located 660 feet from the South and East lines of said Section 4.

Further, since the subject Well No. 1 was originally drilled to and completed in the Jalmat Gas Pool in April/May 1954 at a standard gas well location for the original 160-acre non-standard gas proration unit, the location meets the criteria of Rule 2(b)2 of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended and is therefore considered to be standard for the resulting 120-acre non-standard unit.

c. A recognized aquifer, Ojo Alamo, is located within the designated area over 500 feet above the Pictured Cliffs formation. Existing Federal and State of New Mexico Regulations, administered by the U.S. Forest Service, U.S. Bureau of Land Management, and the U.S. Department of Energy, relating to drilling, casing, and cementing of wells are in effect to help assure that development of the Pictured Cliffs formation will not adversely affect said aquifer.

d. The estimated average in-situ gas permeability, throughout the pay section, is expected to be 0.1 millidarcy or less.

e. The stabilized production rate, against atmospheric pressure, of wells completed for production in the Pictured Cliffs formation, without stimulation, is not expected to exceed the production rate of 105 MCF per day at the average 3715 foot depth of the top of the formation.

f. No well drilled into the designated tight formation is expected to produce, without stimulation, more than five barrels of crude oil per day.

g. The formation or any portion thereof has not been authorized to be developed by infill drilling.

Evidence was presented at a public hearing held by the New Mexico Oil Conservation Division, Case No. 10264, on March 21, 1991, at Santa Fe, New Mexico. Exhibits and other documentation are enclosed. The lands involved are 100% Federal/Indian, so no designation will be submitted by the State of New Mexico.

This jurisdictional agency reduced the area requested by the applicant to approximately forty (40) percent of its original size due to lack of supporting data for the eliminated acreage. The applicant, Robert L. Bayless, at an informal conference held in this office on July 22, 1991, presented additional technical interpretation of their data.

It is requested that this jurisdictional agency be advised in writing when the 45 day review period will end and the appropriate FERC Order No. and/or State No. (NM-___) assigned to this tight formation be included.

Persons objecting to this determination may file a protest directly with the Federal Energy Regulatory Commission, in accordance with 18 CFR Part 275.203 and 275.204, within 20 days after the notice is published in the Federal Register by the FERC.

Meridian Oil, Inc.

Administrative Order NSP-605-A

March 16, 1992

Page 2

By authority granted me under the provisions of Rule 2(a)4 of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170 as amended, a 120-acre non-standard gas spacing and proration unit in said pool comprising the N/2 SE/4 and SW/4 SE/4 of said Section 4 is hereby approved.

Division Administrative Order NSP-605 is hereby placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
File: NSP-605 ✓



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
ALBUQUERQUE DISTRICT OFFICE
435 MONTANO N.E.
ALBUQUERQUE, NEW MEXICO 87107

3160 (015)

October 18, 1991

Marilyn Rand, Director
Division of Producer Regulation
Federal Energy Regulatory Commission
825 North Capitol Street NE
Washington, DC 20426

Dear Ms. Rand:

This jurisdictional agency hereby designates the Pictured Cliffs formation underlying the following described lands in Rio Arriba County, New Mexico as a tight formation, BLM Docket No. NM-74-91, under Section 107 of the NGPA:

- a. Township 29 North, Range 3 West, NMPM
Sections 4 through 9: All
Sections 16 through 21: All
Sections 28 through 33: All
- b. Township 29 North, Range 4 West, NMPM
Sections 1 through 36: All
- c. Township 30 North, Range 3 West, NMPM
Sections 1 through 36: All
- d. Township 30 North, Range 4 West, NMPM
Sections 1 and 2: All
Sections 11 through 14: All
Sections 23 through 26: All
Sections 35 and 36: All
- e. Township 31 North, Range 3 West, NMPM
Sections 4 through 9: All
Sections 16 through 21: All
Sections 28 through 33: All

The total area encompasses 76,800 acres, more or less, of which approximately 30,720 acres are within the Carson National Forest and the remaining is located within the Jicarilla Apache Indian Reservation, situated in Rio Arriba County, New Mexico.

b. The applicant, Robert L. Bayless, has designated the area described above as the "Cabresto Tight Gas Area" and included within the confines of said area are portions of the Choza Mesa Pictured Cliffs Pool, East Blanco Pictured Cliffs Pool, and Gobernador Pictured Cliffs Pool.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 632
CASE NO. 732
Order No. B-429
Order No. R-129

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-368-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF APPROXIMATELY 160
CONTIGUOUS ACRES CONSISTING OF THE
WEST HALF OF THE WEST HALF OF SECTION
19, TOWNSHIP 25 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN
THE JALCO GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on January 20, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That pursuant to provisions of Rule 7 (a) of Order No. R-368-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.
- (3) That applicant, Continental Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
W/2 of W/2 of Section 19

containing approximately 160 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well on the aforesaid lease known as Sholes 19 Unit, Well No. 1, located 2340' from the South line and 300' from the West line of Section 19, Township 25 South, Range 37 East, NMPM.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-368-A, and is located within the limits of the pool heretofore delineated and designated as the Jalco Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the West half of Section 19, Township 25 South, Range 37 East, NMPM, owned by the applicant inasmuch as royalty interests are diverse and equities already established would be disrupted.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalco Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
W/2 of W/2 of Section 19

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Sholes 19 Unit, No. 1, located in the NW/4 SW/4 of Section 19, Township 25 South, Range 37 East, NMPM, shall be granted an allowable from January 1, 1954 in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman
E. S. WALKER, Member
R. R. SPURRIER, Secretary and Member

(S E A L)



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

OIL CONSERVATION DIVISION
'91 NOV 12 AM 9:59
HOBBES DISTRICT OFFICE

11-5-91

BRUCE KING
GOVERNOR

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(505) 393-6161

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

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP *amend* _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Jahoe Energy, Inc. *Shales A-19 #1-L* *19-25-37*
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK
attached is copy of C-116 which shows Junk yard Dog #1
is now an oil well in Jalmat.

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/ed