

CASE 7408: DOYLE HARTMAN FOR DIRECTIONAL
DRILLING, NON-STANDARD PRODUCTION UNIT,
NORTHROPX WELL LOCATION AND SIMULTANEOUS
DEDICATION. LEA COUNTY, NEW MEXICO

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CASE NO.

7408

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
4 November 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Dyle Hartman for
directional drilling, a nonstandard
proration unit, and an unorthodox well
location and simultaneous dedication,
Lea County, New Mexico.

CASE
7408

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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Jefferson Place
Santa Fe, New Mexico 87501

I N D E X

WILLIAM P. AYCOCK

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1
2 MR. NUTTER: We'll call next Case Number
3 7408.

4 MR. PEARCE: Application of Doyle Hart-
5 man for directional drilling, a nonstandard proration unit,
6 and an unorthodox well location and simultaneous dedication,
7 Lea County, New Mexico.

8 MR. CARR: May it please the Examiner,
9 my name is William F. Carr, with the law firm Campbell, Bryd,
10 and Black, P. A., of Santa Fe, New Mexico, appearing on be-
11 half of Mr. Hartman.

12 I have one witness who needs to be sworn.

13
14 (Witness sworn.)

15
16 WILLIAM P. AYCOCK

17 being called as a witness and being duly sworn upon his oath,
18 testified as follows, to-wit:

19
20 DIRECT EXAMINATION

21 BY MR. CARR:

22 Q Will you state your name and place of
23 residence?

24 A William P. Aycock, Midland, Texas.

25 Q Mr. Aycock, by whom are you employed and

1
2 in what capacity?

3 A. By Doyle Hartman as a petroleum engin-
4 eering consultant in connection with the matters previously
5 referred to, docketed as Case Number 7408.

6 Q. Have you previously testified before
7 this Commission and had your credentials accepted and made a
8 matter of record?

9 A. I have.

10 Q. Are you familiar with the application
11 filed on behalf of Mr. Hartman in this case?

12 A. I am.

13 Q. Are you familiar with the subject acreage?

14 A. Yes, I am.

15 MR. CARR: Are the witness' qualifica-
16 tions acceptable?

17 MR. NUTTER: They are.

18 Q. Mr. Aycock, have you prepared certain
19 exhibits for introduction in this case?

20 A. I have.

21 Q. Would you please refer to what has been
22 marked for identification as Applicant's Exhibit Number One
23 and review this for Mr. Nutter.

24 A. Mr. Nutter, several of these exhibits
25 are common to the -- I don't have the hearing number -- but

1
2 the hearing that we previously presented on the Bates No. 3
3 matter, for which I don't believe you were the Examiner, but
4 I want to point that out to you, that these -- that if these
5 things should look familiar to you, that they are corrected
6 copies of the exhibits that were presented in that case.

7 And this is a surface feature map of the
8 City of Jal and its environs, I would point out to you that
9 Hartman's Bates No. 3 Well is indicated near the Jal High
10 School, the -- both the subsurface location is indicated with
11 a gas well symbol and you'll see the label saying Doyle Hart-
12 man No. 3 Bates, New Mexico Order Number R-6796, and I bring
13 this up simply because you asked me at one time in another
14 hearing where you were the Examiner, about the directional
15 drilling aspects of it, and in this case we are going to
16 present part of our exhibits will be to present the direction-
17 al drilling experience and the capabilities that Hartman
18 demonstrated in this case.

19 Actually, obviously, to the north you'll
20 see the proposed location both surface and subsurface for
21 the proposed Justis No. 10 Well, and the same reason pre-
22 vails as was in the Bates matter, and that is since the sub-
23 surface location is within the City of Jal and there are
24 numerous surface facilities there and habitations, it is
25 necessary to drill the well from a location that is accessible,

1
2 that is safe, and is acceptable to the city council with
3 regard to their requirements and the local people.

4 And the surface location has been pro-
5 jected at a point where the -- all of these are acceptable
6 to the local people. The city council is in agreement with
7 it. I believe that settlement has already been made with the
8 owners of the surface, so that the well, assuming that this
9 application is favorably received, the well can be drilled
10 expeditiously.

11 This shows the proposed proration unit
12 for the well, and I would point out to you that the south
13 half of the northeast -- excuse me, the south half of the
14 proration unit that is projected, which is an 80-acre pro-
15 ration unit, that proration unit being the east half of the
16 northeast quarter of Section 19, is presently dedicated to
17 an existing producing well that is producing 10 Mcf per day.

18 The north half of this proration unit
19 is presently undedicated and we are here to request that the
20 undedicated acreage be combined with the dedicated acreage
21 and the existing well producing at the rate of 10 Mcf per
22 day and the proposed well be simultaneously dedicated to
23 this 80-acre proration unit.

24 Q Mr. Aycock, is the proposed bottom hole
25 location a standard location or orthodox location?

1
2 A No, it is not. It's an unorthodox loca-
3 tion.

4 Q And who are you crowding?

5 A We're crowding Getty Oil Company and
6 Bettis, Boyle, and Stovall, who are the farmees in this in-
7 stance; that's how Mr. Hartman acquired his rights.

8 Q And will you offer a later exhibit,
9 being a --

10 A Yes, we have written waivers from both
11 parties.

12 Q And in what pool are you proposing to
13 complete this well?

14 A In the Jalmat Pool, and in fact, in the
15 Yates portion of the Jalmat pool. We'll present a subsequent
16 geologic exhibit which will show why we desire to drill the
17 well at this location and why we think it will recover gas
18 reserves that are presently not accessible to any existing
19 wellbores.

20 Q Is the proposed proration unit a non-
21 standard proration unit?

22 A Yes, it is. A standard proration unit
23 for the Jalmat Pool is 640 acres.

24 Q And is the Jalmat a prorated pool?

25 A It is.

1
2 Q And so its allowable will be affected
3 by the --

4 A By the acreage that's assigned to it,
5 that's correct.

6 Q Will you now refer to what's been marked
7 for identification as Hartman Exhibit Number Two, being the
8 Yates structure map, and review this for Mr. Nutter?

9 A Exhibit Number Two is a combined Yates
10 structure map and land map, which shows the structure on the
11 top of the Yates formation, the proposed proration unit to be
12 assigned to the proposed well, the traces of the cross sec-
13 tions which will be presented as subsequent exhibits, and
14 all of the wells that are now, or were formerly, producing
15 from the Jalmat Pool contained within a 9-section area centered
16 on Section 20, which is the section in which the surface
17 location is proposed.

18 You'll notice that in the -- in Section
19 19, the label that shows the proposed location, Justis No. 10,
20 subsurface and surface locations, as well as the other wells
21 that will be -- or which the -- that are included in the ex-
22 hibits to be presented, and this shows that as is typical
23 throughout this area, and is Mr. Nutter is probably more qual-
24 ified to know than anyone, that there is variable structure
25 and we don't think the structure is a first order determinant

1
2 in what will be recovered here. We think it's more important
3 that widespread drilling ultimately be -- occur in order to
4 drain the existing reserves from these low pressure reservoirs
5 as depletion proceeds.

6 And you'll notice that Section 19, in
7 particular, is not as densely drilled for any of the zones
8 that have been developed in the surrounding area as many of
9 these other sections that are included on the map.

10 It also shows Bettis, Boyle, and Stovall
11 leases. It shows the various ownership that surrounds the
12 area that we're -- in which we're discussing, as well as
13 showing the Hartman Bates No. 3 Well, which we previously
14 referred to.

15 Q Will you now refer to your cross section
16 A-A', which has been marked for identification as Exhibit
17 Three, and review this?

18 A Cross Section A-A', the trace of which
19 was shown on Exhibit Number Two, shows the consequential data
20 for all of the wells thereon, including the dates at which
21 they were completed; the locations in which they are completed;
22 the various geologic markers that are consequential in deter-
23 mining whether wells are completed in the Jalmat Pool or in
24 the Langlie Mattix Pool, and what portions of these pools;
25 a brief resume of the history of the wells, including the date

1
2 of first completion; and everything else that we thought might
3 be germane to this application or any understanding of what
4 has taken place with regard to the development of the Jalmat
5 and Langlie Mattix reservoirs in this immediate area.

6 I would Mr. Nutter's attention to the
7 fact that many of the wells penetrate all of the zones and
8 their completion histories are checkered. Some of them have
9 been completed in the Langlie Mattix zones and have later
10 been plugged back to the Jalmat zones. Some of them are com-
11 pleted in a portion of the Jalmat zones. Some of them are
12 completed in a different portion of the Jalmat zones. Vir-
13 tually every portion of the intervals that are included under
14 the Langlie Mattix and Jalmat Pool designations have been
15 tested by one or the other of the wells that are shown on
16 this cross section.

17 MR. NUTTER: Now before you fold that
18 up, Mr. Aycock, the bottom hole location of the proposed
19 well is a twin to the existing well on that 40-acre proration
20 unit.

21 A. Yes, sir, there are actually two on
22 there. There's a Jalmat oil well and a Jalmat gas well on
23 there.

24 MR. NUTTER: Okay, now the Jalmat gas
25 well is this well which is the one, two, three --

1

2

A. Yes, sir, the --

3

MR. NUTTER: -- four, fifth --

4

A. Yes, sir, the B. H. Justis No. 1.

5

MR. NUTTER: Okay, now it shows down here

6

at the bottom that that well has made 8.2 billion cubic feet,

7

but it says its average 1981 production is 3 Mcf a day.

8

Didn't you say it was making about 10 --

9

A. We had it checked just the other day and

10

it indicated in a daily check it was making 10 Mcf a day.

11

MR. NUTTER: So it's doing better than --

12

A. Right.

13

MR. NUTTER: -- this average throughout

14

the year, then.

15

A. And what you'll notice, Mr. Nutter, is

16

that that well is completed in the very upper portion of the

17

Yates. It does not penetrate, the total depth of it is just

18

below the top of the Yates, so the Yates portion of the Jal-

19

mat Pool has not been adequately drained, in our opinion, in

20

the area, and that is the justification for the drilling of

21

the proposed well at the proposed subsurface location.

22

MR. NUTTER: Now where would the TD be

23

on this -- on this log, or this diagram here, then?

24

A. Well, could I defer that to -- we've

25

got a cross section where I can explicitly show that to you?

1
2 MR. NUTTER: Okay.

3 A. If it doesn't satisfy you, then we'll
4 come back to this one.

5 Q Mr. Aycock, will you now review cross
6 section B-B', which is Exhibit Number Four?

7 A. This is a west/east cross section with
8 the same type of information, and once again, the trace is
9 shown on Exhibit Number Two.

10 And you'll see on this one that several
11 of the wells don't even penetrate through the Jalmat, Upper
12 Jalmat, much less the Lower Jalmat, into the Langlie Mattix.

13 Some of them do and once again they've
14 got various completion dates and various completion methods
15 have been employed.

16 Q Will you now review Exhibit Number Five,
17 which is cross section C-C'?

18 A. The question that you had, Mr. Nutter,
19 I think will be answered by referring to this cross section,
20 on which all of the wells that are in the immediate vicinity
21 of the proposed subsurface location are shown with the pro-
22 posed subsurface location shown in the middle.

23 And you'll see that -- that it will cor-
24 relate with the Upper Yates portion of the reservoir, and
25 you'll see the immediately offsetting well that barely pene-

1
2 trates the top of the Yates and is only -- the one that we
3 previously discussed, that we had 3 Mcf and find out that it's
4 producing 10, and here's the oil well just to the other side
5 of it.

6 And you'll see that the oil well is pro-
7 ducing way down in the Seven Rivers formation of the -- of
8 the Jalmat, so what we're requesting to do is to -- and the
9 well on the other side of us that's been plugged and abandoned
10 you'll see was in the Seven Rivers, in the Upper Seven Rivers.
11 The only well on this cross section that is completed in the
12 zones in which we propose to produce the requested well is
13 the Hartman Bates No. 3, which has just been drilled and
14 completed and appears to be a very adequate Jalmat producing
15 well.

16 And you'll notice that our TD is above
17 the top of the Langlie Mattix. We like to have -- the reason
18 for drilling it this deep is Mr. Hartman has found from ex-
19 perience that if he has about 200 feet of empty casing below
20 his lowermost perforation, it's much more satisfactory from
21 an operational standpoint. We normally have some sand back-
22 flow after frac jobs and if he can set his pump below the
23 perforations and pump the fluid off of the formation, that
24 collects, even in small amounts, with a conventional pumping
25 unit, which he normally sets on each of these wells, and pro-

1
2 duce the gas up the annulus, it leads to a much more trouble-
3 free operation and much more satisfactory operation than does
4 any other scheme that -- that he could come up with.

5 If he is forced not to have this much
6 rathole for convenience, it causes all kinds of production
7 problems.

8 For instance, on the Bates No. 3 Mr.
9 Sexton would not let us drill the extra hole and we had to
10 go in and foam the well out twice, and in fact it still has
11 the bottom set of perforations that are in the Seven Rivers
12 covered by frac sand and we've chosen not to do anything about
13 it for the present time.

14 So I wanted to make it plain that although
15 we're going well into the Seven Rivers, that we're stipu-
16 lating here in our testimony that our intention is to pro-
17 duce the -- to complete the well and produce it from the
18 indicated prospective completion interval in the Jalmat, in
19 the Yates portion of the Jalmat.

20 MR. NUTTER: Now you're saying that these
21 perforations which this exhibit shows on the Bates No. 3
22 down about 3300 feet, those are the ones that are sanded off?

23 A. Yes, sir, the lowest ones, this very
24 bottom zone that's in the Seven Rivers here.

25 MR. NUTTER: Uh-huh, so all your pro-

duction is coming from up here in the top.

A Basically that's right, and that's all we're -- that's all we are intending to complete in in this well here.

MR. NUTTER: Okay, now in that No. 3 Well, and on your exhibit, looking at Exhibit Number Two we see the triangle with the "3" indicated there-- on your Exhibit Number Two, Bill, that's your plat.

A Okay, yeah. You're talking about the map.

MR. NUTTER: Yes.

A All right.

MR. NUTTER: Now we see the No. 3 there with the gas well symbol in the triangle. Is that the surface location?

A The surface location is -- is at the -- where the gas well symbol is.

MR. NUTTER: Right.

A The surface location is up at the top and you've got --

MR. NUTTER: The subsurface.

A The subsurface location, that's correct.

MR. NUTTER: Okay. Then on your Exhibit Number Five, your cross section, you give two locations. You

1
2 say 1635 from the south and 1210 from the west (L). That's
3 on your cross section, Exhibit Number Five.

4 A Are you talking about this Gulf Christmas
5 No. 1?

6 MR. NUTTER: No, I'm talking about the
7 Bates No. 3.

8 A Okay.

9 MR. NUTTER: Now, the first location
10 there, the 1635 from south and 1210 from west, that's the
11 surface location.

12 A That's right.

13 MR. NUTTER: Isn't it?

14 A That's right.

15 MR. NUTTER: And then the 2292 south,
16 1567 west, that's the bottom hole location.

17 A That's right.

18 MR. NUTTER: Okay, so you've given us
19 both locations there.

20 A Right.

21 MR. NUTTER: And also show both locations
22 here on this exhibit.

23 A Right; trying to prevent confusion with
24 a complicated situation to the degree that we can.

25 MR. NUTTER: Right. Now what are the

two locations shown on the plat, on the map? You have "TL" at 2500 and "TL" at 3500. What does "TL" stand for?

A Let's see, true --

MR. NUTTER: True location?

A Yeah, true location is what it is, right.

MR. NUTTER: Okay.

A Right.

MR. NUTTER: Okay.

Q Mr. Aycock, would you not turn to Mr. Hartman's Exhibit Number Six, which is the report of the well and review this for Mr. Nutter?

A This is the Eastman subsurface directional survey that's got all of the consequential information with regard to -- to the Bates No. 3, and as I say, we decided to include it because I had discussed it with you before in another context, and there were some, in fact some misunderstanding with the Hobbs Office about the thing and I think we got all that straightened out without any problem, but I wanted you to have a copy in this hearing of this report, and it shows how -- I misrepresented to you. I told you we were 7 feet from the target. We were 7 feet one side but the -- when you took the two directions on the triangle we worked out to be 19.3 feet from the target at the bottom of the hole and I have another exhibit which will follow this

1
2 one which will detail that further.

3 But we wanted you to have all this. This
4 is the actual report from -- from Eastman, and has all the --
5 has the calculations over here on the back page, showing you
6 how we got the 19.3 feet. And in fact we understand that the
7 Eastman people consider that this is an exemplary performance
8 from their standpoint and they're using it for advertising
9 purposes, which is an aside, but nevertheless, they were
10 proud of the job they did here.

11 Q Will you now refer to your Exhibit Six-
12 A and explain to Mr. Nutter what this shows,?

13 A Mr. Nutter, Six-A is an attempt to fur-
14 ther clarify the fact that Mr. Hartman is showing that he
15 can adequately hit a 100-foot target at this depth, showing
16 you further clarification from the surface location to the
17 target location and showing you the 2500-foot location. All
18 of this is to scale. It shows you how the 19.3 feet came
19 about and where a 100-foot circle would be around the target.

20 So we're 7 feet east of the target and
21 18 feet south of the target at the bottom hole, which using
22 the hypotenuse of the triangle works out to be 19.3 feet
23 from the target.

24 So we don't figure we'd have any trouble
25 whatsoever staying within 100-foot tolerance. This is just

1
2 summarized data from out of the Eastman. We just did this
3 so it would -- on a larger scale so it would be easy to
4 understand what took place.

5 Q Mr. Aycock, Mr. Hartman will employ the
6 same procedures in drilling the subject well.

7 A Same people, same procedures, same every-
8 thing that was done on the Bates No. 3.

9 Q Will you now refer to Hartman Exhibit
10 Number Seven and review this for Mr. Nutter?

11 A Exhibit Number Seven are two C-102's
12 for the proposed location, Mr. Nutter. One of them is for
13 the subsurface location in the east half of 19, and the other
14 is for the surface location in the west half of 20, and in
15 fact the surface location is shown on the 102 that shows the
16 subsurface location, but we decided to put, once again, to
17 prevent any problems or misunderstanding, to go ahead and
18 submit two of them to you so you'd know -- it would be obvious
19 in the record what was intended here.

20 Q Will you now review Exhibit Number Eight,
21 which is the displacement and true vertical depth table?

22 A This is a further elaboration on the
23 Eastman report that we furnished you, but it's the type of
24 information that developed for the proposed location, the
25 program that's been set up to drill the well that's proposed

1
2 here, and you'll notice there's a tabulation of measured depth,
3 an average deviation and displacement, and total displacement,
4 and true vertical depth on there.

5 And then attached to that is a graphical
6 display of the same information in which the edge of the lease,
7 the top of the Yates, the top of the Seven Rivers, and the
8 base of the Jalmat are all shown, along with the projected
9 depth.

10 Q Now you may have testified to this already,
11 but will it be satisfactory to Mr. Hartman for any order that
12 results from this hearing to provide that the well shall be
13 completed within a 100-foot target area of the proposed --

14 A Yes.

15 Q -- target area?

16 A Well, of course, the Commission would
17 require it, and we would -- the Commission's Hobbs Office
18 will be on the distribution list for Eastman to deliver --
19 automatically to deliver a copy of the directional survey
20 directly to the Hobbs Office.

21 Q Will you now refer to Mr. Hartman's
22 Exhibit Number Nine?

23 A Exhibit Number Nine is a letter from Mr.
24 Hartman to Mr. Nutter, and dated October the 13th, in which
25 the proposal that's the subject of this hearing is set out

1
2 in detail and the explanation is complete on what would be
3 done, along with the various operators that were -- that were --
4 that are involved, the various leasehold interest that are
5 involved are detailed in this letter, and attached to this
6 are the copies of the letters that went out to all of these
7 parties that were affected, along with the certified mail
8 receipts showing that they were mailed.

9 Q Will you now identify Exhibit Number Ten?

10 A Exhibit Number Ten are copies of the
11 releases from Bettis, Boyle, and Stovall, and from Getty Oil
12 Company, which are all that were received -- have been re-
13 ceived by Mr. Hartman. They are those most directly affected
14 by this application.

15 Q Mr. Aycock, when does Mr. Hartman pro-
16 pose to drill the subject well?

17 A The rig should be available in about 10
18 days.

19 Q You would therefor request that this
20 order to expedited?

21 A Yes, we respectfully request that the
22 order be expedited. If the order cannot be finalized that
23 verbal permission, at least, be given to move on the location
24 and drill it in accordance with the plans presented here so
25 that we can take advantage of the availability of the rig.

1
2 Q In your opinion will granting this ap-
3 plication be in the best interest of conservation, the pre-
4 vention of waste, and the protection of correlative rights?

5 A I believe that it will. I think there
6 are gas reserves likely in the Upper Yates that can't be ef-
7 fectively developed except by a well in this vicinity and, as
8 we've previously testified, because of the surface situation
9 within the City of Jal, it's a necessity to drill a deviated
10 hole in order to reach the proper subsurface location.

11 Q Mr. Aycock, were Exhibits One through
12 Six and Six-A through Ten prepared by you or compiled under
13 your direction and supervision?

14 A They were.

15 MR. CARR: At this time, Mr. Nutter, we
16 would offer into evidence Hartman Exhibits One through Six
17 and Six-A through Ten.

18 MR. NUTTER: Exhibits One through Six
19 and Six-A through Ten will be admitted in evidence.

20
21 CROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Mr. Aycock, now the case was applied
24 for and advertised to drill the well from a surface location
25 1940 from the north and 120 feet from the west of Section 20.

1
2 Now that surface location is as you proposed, is it not?

3 A. Yes, sir.

4 Q. And to bottom the well in the Jalmat Pool
5 at an unorthodox location 1980 from the north and 330 from
6 the east.

7 A. That's right.

8 Q. Now you don't want to do that. You want
9 to bottom the hole within a 100 feet of a point that's 1980
10 from the north --

11 A. That's right.

12 Q. -- and 440 from the east.

13 A. That's right. That's right.

14 Q. So that you never will be closer than
15 330 to the east line.

16 A. Yes, sir, that's correct.

17 Q. And you may be farther away.

18 A. That's right.

19 Q. If you were on the other side of the
20 100-foot circle you'd be farther away.

21 A. That's right.

22 Q. So you do need to have that flexibility --

23 A. Yes.

24 Q. -- in your order, rather than to be
25 pinned to that point.

1
2 A Yes, that's a good point, Mr. Nutter,
3 and I think that's -- you got that from the -- I don't re-
4 member the exhibit number, the one in which we showed you
5 the program for the well and showed how we were moving, as
6 we got deeper --

7 Q Right.

8 A -- we're moving away from the lease line
9 rather than towards it.

10 Q Yeah, that's Exhibit Number Eight.

11 A Yes, sir.

12 Q That had the tabulation and --

13 A Yes, sir.

14 Q -- the schematic --

15 A Yes, sir.

16 Q -- of the proposal.

17 A Yes, sir.

18 Q Okay.

19 MR. NUTTER: Are there any further ques-
20 tions of Mr. Aycock? He may be excused.

21 Do you have anything further, Mr. Carr?

22 MR. CARR: Nothing further, Mr. Nutter.

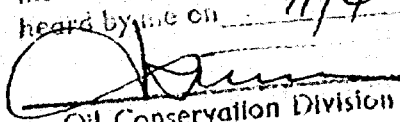
23 MR. NUTTER: Does anyone have anything
24 they wish to offer in Case Number 7408?

25 We'll take the case under advisement.

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7408
heard by me on 11/4 1981.
 Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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STATE OF NEW MEXICO

November 16, 1981

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Re: CASE NO. 7408
ORDER NO. R-6821

Applicant:

Doyle Hartman

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u> x </u>
Artesia OCD	<u> x </u>
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE No. 7408
Order No. R-6821

APPLICATION OF DOYLE HARTMAN FOR
DIRECTIONAL DRILLING, A NON-STANDARD
PRORATION UNIT, AN UNORTHODOX LOCATION
AND SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 4, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 13th day of November, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Doyle Hartman, seeks authority to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location within 100 feet of a point 1989 feet from the North line and 440 feet from the East line of Section 19, Township 25 South, Range 37 East.

(3) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(4) That no offset operator objected to the proposed unorthodox location.

(5) That the applicant further proposes to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well

-2-

Case No. 7408
Order No. R-6821

No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

(6) That the applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) That 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 will otherwise prevent waste and protect correlative rights.

(8) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Doyle Hartman, is hereby authorized to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location within 100 feet of a point 1989 feet from the North line and 440 feet from the East line of Section 19, Township 25 South, Range 37 East.

(2) That approval is hereby given to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

PROVIDED HOWEVER, that subsequent to the above described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths, and the bottom hole location of the well.

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Case No. 7408
Order No. R-6821

(4) That 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



Joe D. Ramey
JOE D. RAMEY,
Director



**REPORT
of
SUB-SURFACE
DIRECTIONAL
SURVEY**

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

~~HARTMAN~~ EXHIBIT NO. 6
CASE NO. 7408

Doyle Hartman Oil Operator
COMPANY

Bates Well No. 3
WELL NAME

Lea County, New Mexico
LOCATION

JOB NUMBER
WT981-G0006
WT981-G0017

TYPE OF SURVEY
Gyroscopic Multishot
Gyroscopic Multishot

DATE
9-6-81
9-14-81

SURVEY BY
Doug Jeffers
Tim Stephens

OFFICE
West Texas
West Texas

DOYLE HARTMAN OIL OPERATOR

~~BATES WELL NO. 3~~

LEA COUNTY, NEW MEXICO BD1-330

SEPTEMBER 16, 1981

EASTMAN WHIPSTOCK INC.

GYROSCOPIC MULTIPLE SHOT SURVEY WT981-G0006

~~SURVEYOR: DOUG JEFFERS (0'-700')~~

GYROSCOPIC MULTIPLE SHOT SURVEY WT981-G0017

SURVEYOR: TIM STEPHENS (700'-3425')

RECORD OF SURVEY

RADIUS OF CURVATURE METHOD

DOYLE HARTMAN OIL OPERATOR
 BATES WELL NO. 3
 LEA COUNTY, NEW MEXICO BD1-330

COMPUTATION
 TIME DATE
 16:58:58 16-SEP-81

PAGE NO.

MEASURED DEPTH FEET	DRIFT ANGLE D M	DRIFT DIRECTION D	TRUE VERTICAL DEPTH FEET	RECTANGULAR COORDINATES FEET		DOG LEG SEVERITY DG/100FT
0.	0 0	0	0.00	0.00	0.00	0.00
100.	0 15	N 5 W	100.00	0.22 N	0.02 W	0.25
200.	0 0	0	200.00	0.43 N	0.04 W	0.25
300.	0 0	0	300.00	0.43 N	0.04 W	0.00
400.	0 0	0	400.00	0.43 N	0.04 W	0.00
500.	0 30	S 3 E	500.00	0.00 S	0.02 W	0.50
600.	0 30	N 89 W	599.99	0.56 S	0.56 W	0.73
700.	0 15	N 64 E	699.99	0.10 S	0.66 W	0.73
800.	3 30	N 42 E	799.93	1.86 N	1.94 E	3.27
900.	4 0	N 42 E	899.71	6.72 N	6.31 E	0.50
1000.	5 30	N 37 E	999.36	13.11 N	11.53 E	1.55
1100.	6 15	N 31 E	1098.84	21.59 N	17.30 E	0.97
1200.	7 15	N 34 E	1193.14	31.50 N	23.62 E	1.06
1300.	8 30	N 34 E	1297.20	42.86 N	31.28 E	1.25
1400.	9 45	N 33 E	1395.93	56.03 N	40.03 E	1.26
1500.	11 0	N 31 E	1494.29	71.36 N	49.57 E	1.30
1600.	12 30	N 33 E	1592.20	86.62 N	60.36 E	1.55
1700.	14 0	N 32 E	1689.53	107.95 N	72.68 E	1.52
1800.	15 15	N 30 E	1786.29	129.60 N	85.68 E	1.35
1900.	17 0	N 30 E	1882.35	153.65 N	99.57 E	1.75
2000.	20 15	N 29 E	1977.10	181.44 N	115.29 E	3.27
2100.	22 0	N 28 E	2070.38	213.11 N	132.49 E	1.79
2200.	23 0	N 28 E	2162.76	246.90 N	150.45 E	1.00
2300.	23 45	N 29 E	2254.56	281.77 N	169.38 E	0.85
2400.	24 15	N 30 E	2345.91	317.17 N	189.41 E	0.64
2500.	23 0	N 37 E	2437.53	350.56 N	211.52 E	3.07
2600.	23 45	N 37 E	2529.32	382.25 N	235.39 E	0.75
2700.	23 0	N 37 E	2621.11	413.93 N	259.27 E	0.75
2800.	23 15	N 39 E	2713.08	444.83 N	283.45 E	0.82
2900.	23 15	N 39 E	2804.96	475.56 N	308.29 E	0.00

DOYLE HARTMAN OIL OPERATOR
 BATES WELL NO. 3
 LEA COUNTY, NEW MEXICO -- BD1-330

COMPUTATION
 TIME DATE
 16:58:58 16-SEP-81

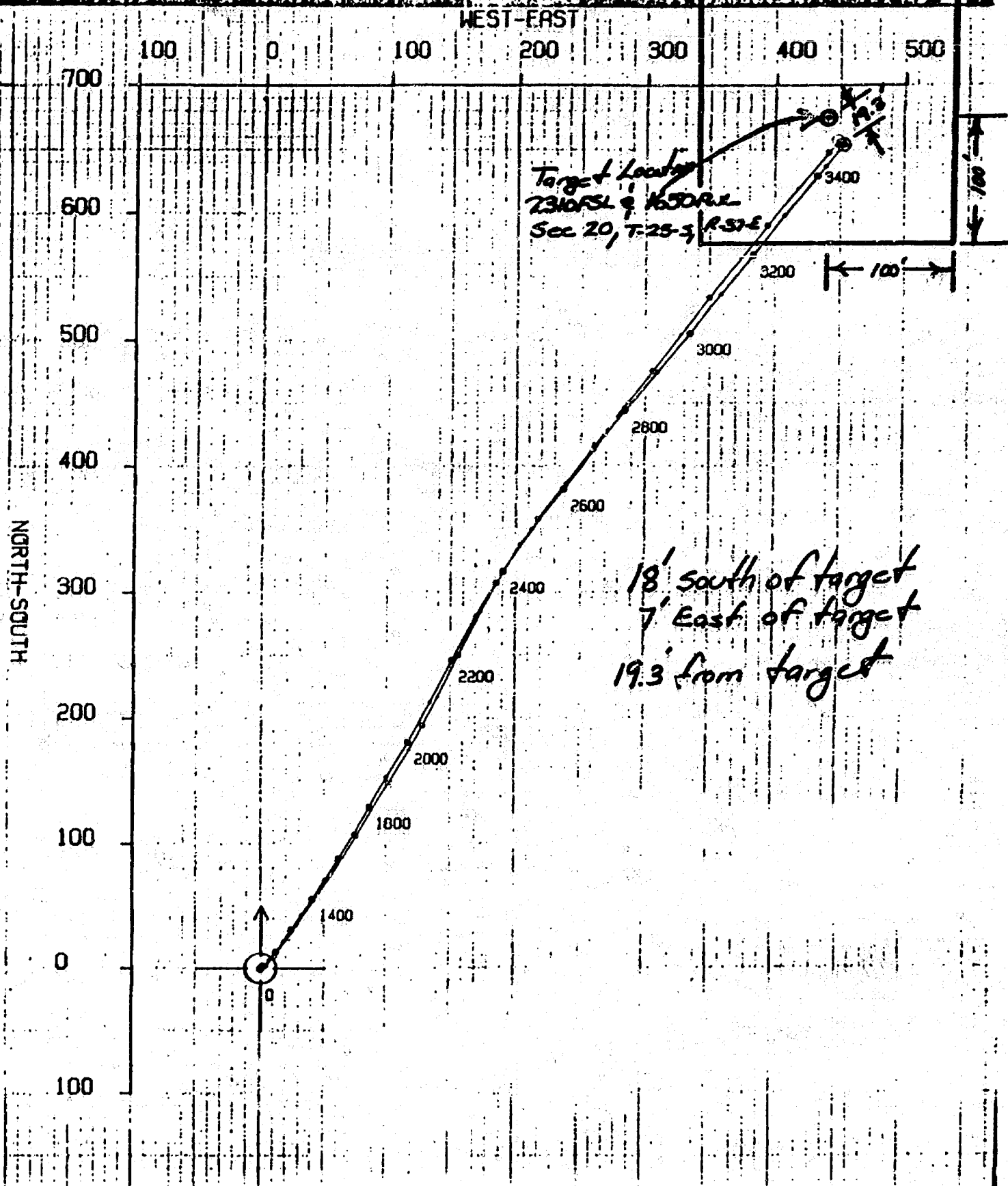
PAGE NO.

MEASURED DEPTH FEET	DRIFT ANGLE D M	DRIFT DIRECTION D	TRUE VERTICAL DEPTH FEET	RECTANGULAR COORDINATES FEET		DOG LEG SEVERITY DG/100FT
3000.	23 0	N 39 E	2896.92	506.08 N	333.01 E	0.25
3100.	23 0	N 38 E	2988.97	536.66 N	357.33 E	0.39
3200.	23 15	N 39 E	3080.94	567.40 N	381.78 E	0.47
3300.	23 30	N 38 E	3172.73	598.45 N	406.48 E	0.47
3400.	23 15	N 39 E	3264.52	629.49 N	431.18 E	0.47
3425.	23 0	N 40 E	3287.51	637.07 N	437.42 E	1.86

THE FOLLOWING STATION IS A PROJECTION BASED ON PREVIOUS ANGLE AND H.D.

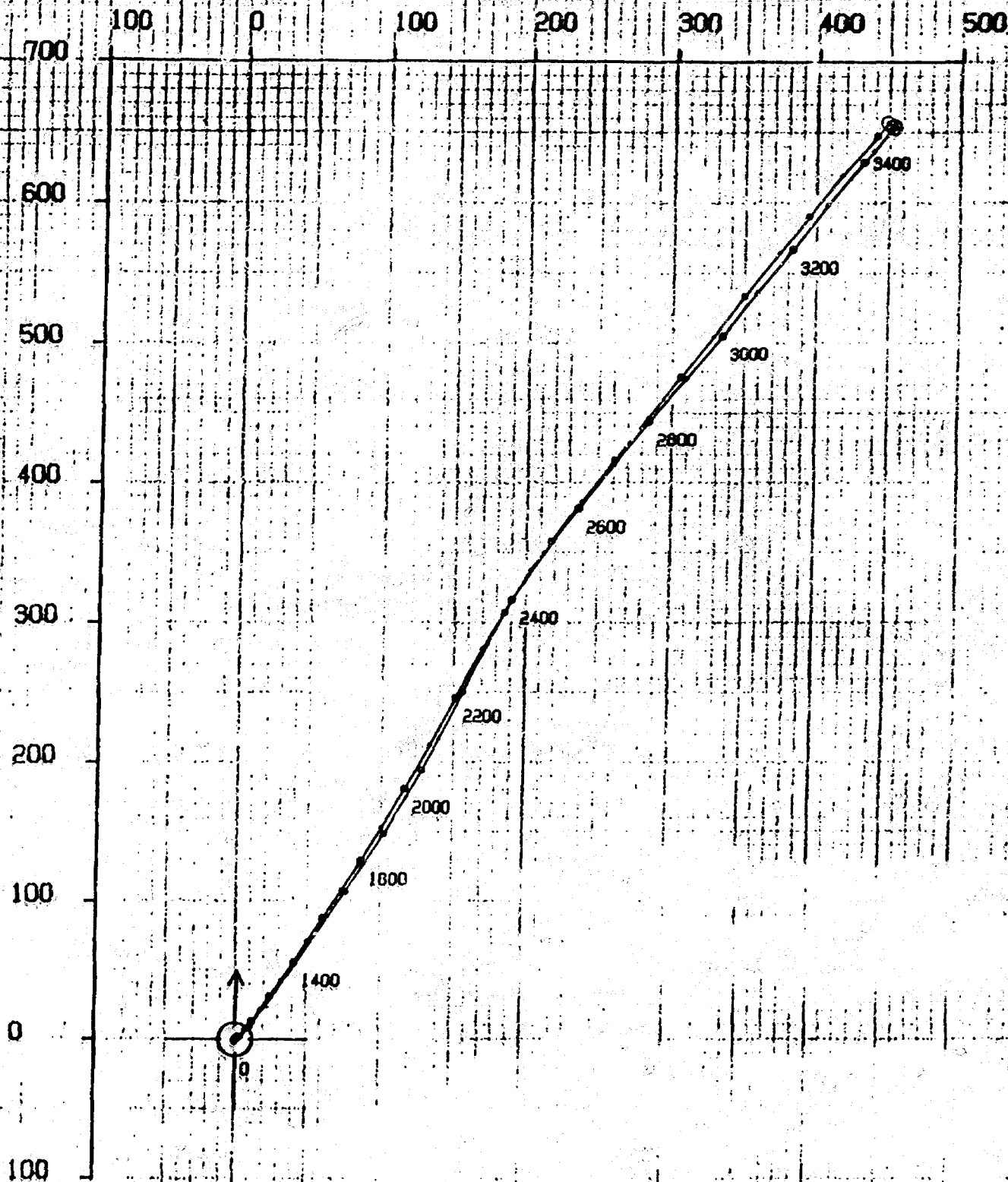
3482.	23 0	N 40 E	3339.98	654.13 N	451.74 E	0.00
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FINAL CLOSURE - DIRECTION: N 34 DEGS 38 MINS E
 DISTANCE: 794.96 FEET



WEST-EAST

NORTH-SOUTH



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-312
Superseded 4-3-78
Effective 1-1-75

All distances must be from the outer boundaries of the section

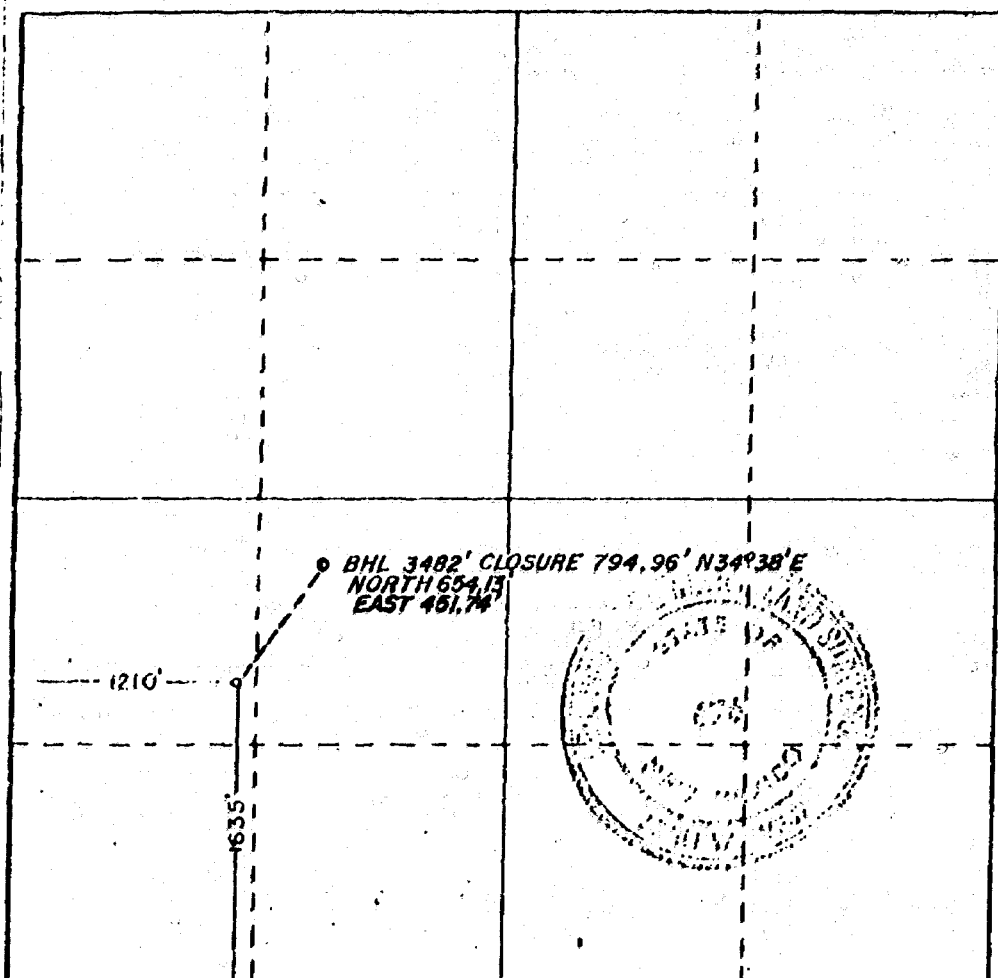
Operator DOYLE HARTMAN			Lease CITY OF JAL		Well No. 1
Post Letter L	Section 20	Township 25 SOUTH	Range 37 EAST	County LEA	
Actual Footage Location of Well: 1635 feet from the SOUTH line and 1210 feet from the WEST line					
Ground Level Elev. 3040.2	Producing Formation		Pool		Designation & description

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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name _____

Position _____

Company _____

Date _____

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

7-28-81

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6808
Ronald J. Eldon 3232





P. O. Box 5577/Midland, Texas 79701/(915) 563-0511
TWX 910.881.5066/Cable EASTCO

SURVEY CERTIFICATION SHEET

STATE OF TEXAS
COUNTY OF MIDLAND

I, Doug Jeffers, in the employ of Eastman Whipstock, Inc., did on the days of September, 6, 1981 thru September, 6, 1981 conduct or supervise the taking of a Gyroscopic Multishot survey by the method of magnetic orientation from a depth of 0 feet to 700 feet, with recordings of inclination and direction being obtained at approximate intervals of 100 feet.

This survey was conducted at the request of Doyle Hartman Oil Operator for their Bates Well No. 3, Lea County, State of New Mexico, in the _____ field.

The data for this survey and the calculations were obtained and performed by me according to standards and procedures as set forth by Eastman Whipstock, Inc. and is true and correct to the best of my knowledge.

Douglas Jeffers
Directional Supervisor/Surveyor

The data for this survey has been examined by me and conforms to principles and procedures set forth by Eastman Whipstock, Inc.

Tim Stephens

Before me, the undersigned authority, on this day personally appeared Doug Jeffers, known to me to be the person whose name is subscribed to this instrument, who after being by me duly sworn on oath, states that he has knowledge of all the facts stated above and that this instrument is a true statement of facts therein recited.

Subscribed and sworn to before me on this 17th day of SEPT., 19 81.

Ray G. Stenke
Notary Public in and for the County of
Midland, Texas
My commission expires 7/9/85



P. O. Box 5577/Midland, Texas 79701/(915) 563-0511
TWX 910-881-5066/Cable: EASTCO

SURVEY CERTIFICATION SHEET

STATE OF TEXAS
COUNTY OF MIDLAND

I, Tim Stephens, in the employ of Eastman Whipstock, Inc., did on the days of September, 14, 1981 thru September, 14, 1981 conduct or supervise the taking of a Gyroscopic Multi Shot survey by the method of magnetic orientation from a depth of 700 feet to 3425 feet, with recordings of inclination and direction being obtained at approximate intervals of 100 feet.

This survey was conducted at the request of Doyle Hartman Oil Operator for their Bates Well No. 3, Lea _____ County, State of New Mexico, in the _____ field.

The data for this survey and the calculations were obtained and performed by me according to standards and procedures as set forth by Eastman Whipstock, Inc. and is true and correct to the best of my knowledge.

Tim Stephens
Directional Supervisor/Surveyor

The data for this survey has been examined by me and conforms to principles and procedures set forth by Eastman Whipstock, Inc.

Walter J. [Signature]

Before me, the undersigned authority, on this day personally appeared Tim Stephens, known to me to be the person whose name is subscribed to this instrument, who after being by me duly sworn on oath, states that he has knowledge of all the facts stated above and that this instrument is a true statement of facts therein recited.

Subscribed and sworn to before me on this 17TH day of SEPT., 1981.

Ray C. Stearns
Notary Public in and for the County of
Midland, Texas
My commission expires 7/9/85



**REPORT
of
SUB-SURFACE
DIRECTIONAL
SURVEY**

Doyle Hartman Oil Operator
COMPANY

Bates Well No. 3
WELL NAME

Lea County, New Mexico
LOCATION

JOB NUMBER
WT981-D0007

TYPE OF SURVEY
Magnetic Single Shot

DATE
9-6-81

SURVEY BY
R.B. Vickers

OFFICE
West Texas

DOYLE HARMAN OIL OPERATORS

DATES WELL NO. 3

LEA COUNTY, NEW MEXICO BDI-320

SEPT. 6 - SEPT. 12, 1981

EASTMAN WHIPSTOCK, INC.

GYROSCOPIC MULTI SHOT SURVEY WT981-00006

SURVEYOR: DOUG JEFFERS (0'-700')

MAGNETIC SINGLE SHOT SURVEY

SURVEYOR: R. B. VICKERS (700'-3482')

VERTICAL SECTION CALCULATED IN PLANE OF PROPOSAL

DIRECTION: N 38 DEG. 6 MIN. E

RECORD OF SURVEY

RADIUS OF CURVATURE METHOD

DOYLE HARMAN OIL OPERATORS

BATES WELL NO. 3

LEA COUNTY, NEW MEXICO BDI-320

COMPUTATION

PAGE NO..

TIME DATE

08:47:17 09-SEP-81

MEASURED DEPTH FEET	DRIFT ANGLE D M	DRIFT DIRECTION D	COURSE LENGTH FEET	TRUE VERTICAL DEPTH FEET	VERTICAL SECTION FEET	RECTANGULAR COORDINATES FEET		DOUBLE SEVERITY DG/100FT
0.	0 0	0	0.	0.00	0.00	0.00	0.00	0.00
100.	0 15	N 5 W	100.	100.00	0.16	0.22 N	0.02 W	0.25
200.	0 0	0	100.	200.00	0.32	0.43 N	0.04 W	0.25
300.	0 0	0	100.	300.00	0.32	0.43 N	0.04 W	0.00
400.	0 0	0	100.	400.00	0.32	0.43 N	0.04 W	0.00
500.	0 30	S 3 E	100.	500.00	-0.01	0.00 S	0.02 W	0.50
600.	0 30	N 89 W	100.	599.99	-0.79	0.56 S	0.56 W	0.73
700.	0 15	N 64 E	100.	699.99	-0.48	0.10 S	0.66 W	0.73
827.	3 30	N 45 E	127.	826.91	3.49	2.31 N	2.71 E	2.57
858.	4 15	N 42 E	31.	857.84	5.57	3.82 N	4.15 E	2.51
952.	4 45	N 39 E	94.	951.55	12.94	9.43 N	8.94 E	0.59
1046.	5 45	N 36 E	94.	1045.15	21.54	16.26 N	14.17 E	1.10
1140.	6 45	N 34 E	94.	1138.59	31.76	24.64 N	20.04 E	1.09
1234.	7 45	N 33 E	94.	1231.84	43.58	34.53 N	26.59 E	1.07
1326.	8 45	N 33 E	92.	1322.88	56.73	45.60 N	33.73 E	1.09
1420.	10 0	N 36 E	94.	1415.63	72.01	58.22 N	42.45 E	1.43
1512.	11 30	N 32 E	92.	1506.01	89.12	72.44 N	52.05 E	1.82
1605.	12 45	N 33 E	93.	1596.93	108.56	88.92 N	62.54 E	1.36
1699.	13 45	N 32 E	94.	1688.43	130.00	107.09 N	74.12 E	1.09
1794.	15 30	N 32 E	95.	1780.35	153.85	127.43 N	86.83 E	1.84
1887.	17 0	N 32 E	93.	1869.63	179.73	149.50 N	100.62 E	1.61
1981.	20 0	N 28 E	94.	1958.76	209.25	175.32 N	115.53 E	3.46
2044.	21 15	N 28 E	63.	2017.72	231.10	194.91 N	125.95 E	1.98
2113.	22 15	N 27 E	69.	2081.81	256.23	217.59 N	137.75 E	1.55
2210.	23 0	N 27 E	97.	2171.35	292.84	250.84 N	154.69 E	0.77
2306.	23 45	N 27 E	96.	2259.47	330.22	284.78 N	171.99 E	0.78
2389.	24 30	N 26 E	63.	2316.96	358.44	307.82 N	183.47 E	1.36
2456.	23 15	N 34 E	87.	2396.52	390.23	338.29 N	201.06 E	3.99
2519.	23 15	N 36 E	63.	2454.40	415.11	358.66 N	215.33 E	1.25
2608.	23 30	N 37 E	89.	2536.10	450.40	387.04 N	236.33 E	0.53

DOYLE HARMAN OIL OPERATORS
BATES WELL NO. 3
LEA COUNTY, NEW MEXICO BD1-320

COMPUTATION
TIME DATE
08:47:17 09-SEP-81

PAGE NO.

MEASURED DEPTH FEET	DRIFT ANGLE D M	DRIFT DIRECTION D	COURSE LENGTH FEET	TRUE VERTICAL DEPTH FEET	VERTICAL SECTION FEET	RECTANGULAR COORDINATES FEET		DOGLEG SEVERITY DG/100FT
2703.	23 15	N 37 E	95.	2623.30	488.09	417.14 N	259.01 E	0.26
2799.	22 45	N 37 E	96.	2711.67	525.59	447.10 N	281.59 E	0.52
2893.	23 15	N 37 E	94.	2798.20	562.31	476.43 N	303.69 E	0.53
2985.	23 0	N 37 E	92.	2882.80	598.44	505.29 N	325.44 E	0.27
3079.	22 45	N 33 E	94.	2969.41	634.97	534.28 N	347.68 E	0.49
3179.	23 0	N 38 E	100.	3061.55	673.84	564.91 N	371.61 E	0.25
3263.	23 0	N 39 E	84.	3138.87	706.66	590.59 N	392.04 E	0.47
3358.	23 15	N 39 E	95.	3226.24	743.97	619.59 N	415.52 E	0.26
3451.	23 0	N 40 E	93.	3311.76	780.48	647.77 N	438.76 E	0.50

THE FOLLOWING STATION IS A PROJECTION BASED ON PREVIOUS ANGLE AND H.D.

3482.	23 0	N 40 E	31.	3340.30	792.59	<u>657.05 N</u>	<u>446.54 E</u>	0.00
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FINAL CLOSURE - DIRECTION: N 34 DEGS 12 MINS E
DISTANCE: 794.43 FEET

Surface Location } 1635 FSL 1210 FWL

657 447

2nd hole 2292 FSL 1657 FWL

target 2310 - 1650

- 18' S of target 7 E of target

18' S of target
7 E of target

$$\sqrt{324 + 49} =$$

19.3' from center



P. O. Box 5577/Midland, Texas 79701/(915) 563-0511
TWX 910-881-5066/Cable: EASTCO

SURVEY CERTIFICATION SHEET

STATE OF TEXAS
COUNTY OF MIDLAND

I, R.B. VICKERS, in the employ of Eastman Whipstock, Inc., did on the days of SEPT. 6, 1981 thru SEPT. 12, 1981 conduct or supervise the taking of a MAGNETIC SINGLE SHOT survey by the method of magnetic orientation from a depth of 700 feet to 3451 feet, with recordings of inclination and direction being obtained at approximate intervals of RANDOM feet.

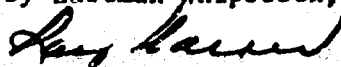
This survey was conducted at the request of DOYLE HARTMAN OIL OPERATOR for their BATES WELL NO. 3, LEA County, State of NEW MEXICO, in the _____ field.

The data for this survey and the calculations were obtained and performed by me according to standards and procedures as set forth by Eastman Whipstock, Inc. and is true and correct to the best of my knowledge.



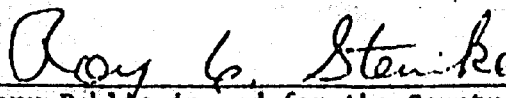
Directional Supervisor/Surveyor

The data for this survey has been examined by me and conforms to principles and procedures set forth by Eastman Whipstock, Inc.



Before me, the undersigned authority, on this day personally appeared R.B. VICKERS, known to me to be the person whose name is subscribed to this instrument, who after being by me duly sworn on oath, states that he has knowledge of all the facts stated above and that this instrument is a true statement of facts therein recited.

Subscribed and sworn to before me on this 17th day of SEPT., 1981.



Notary Public in and for the County of
Midland, Texas
My commission expires 7/9/85

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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> c. Name of Operator Doyle Hartman, Oil Operator d. Address of Operator P. O. Box 10426, Midland, Texas 79702 e. Location of Well UNIT LETTER <u>M</u> LOCATED <u>1210</u> FEET FROM THE <u>West</u> LINE <u>1635</u> FEET FROM THE <u>South</u> LINE OF SEC. <u>20</u> TWP. <u>25-S</u> RGE. <u>37-E</u> NMPM 19. Proposed Depth 3500 TVD 19A. Formation Yates 20. Rotary or C.C.V. Rotary 21. Elevations (Show whether DT, RT, etc.) 3040.2 GL 21A. Kind & Status Plug Bond Multi-well approved 21B. Drilling Contractor Kenai 22. Approx. Date Work will start September, 1981		7. Unit Agreement Name 8. Form or Lease Name Bates 9. Well No. 3 10. Field and Pool, or Wildcat Jalmat 11. County Lea
--	--	---

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4	10 3/4	40.50	600 TVD	600	Surface
7 7/8	5 1/2	17.00	3500 TVD	1200	Surface

We propose to drill an infill Jalmat well with the bottom hole location 2310 FSL and 1650 FWL of Section 20, T-25-S, R-37-E. The surface at this location is occupied by houses. We propose to locate the rig on a vacant lot 1210 FWL and 1635 FSL of Section 20, T-25-S, R-37-E and deviate the hole to bottom hole location 2035 FSL and 1470 FWL of Section 20, T-25-S, R-37-E at a true vertical depth of 2500 GL. The total depth of the well will be 3500 true vertical depth and will be located 2310 FSL and 1650 FWL of Section 20, T-25-S, R-37-E. A directional survey of the entire well bore will be made when total depth is reached. A hearing is scheduled for August 26, 1981 for approval to deviate this well. From the base of the surface pipe through the running of product casing, the well will be equipped with a 3000-psi double ram BOP system.

- NOTE: (1) Any gas produced from the proposed well has previously been dedicated to El Paso Natural Gas Company.
(2) The proposed well will be the second well on the existing proration unit consisting of the SW/4 Section 20, and will share an allowable with the Bates No. 1.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Larry G. Nunn Title Engineer Date Aug 21, 1981
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 5-117
Supersedes L-120
Effective 1-4-65

All distances must be from the outer boundaries of the Section

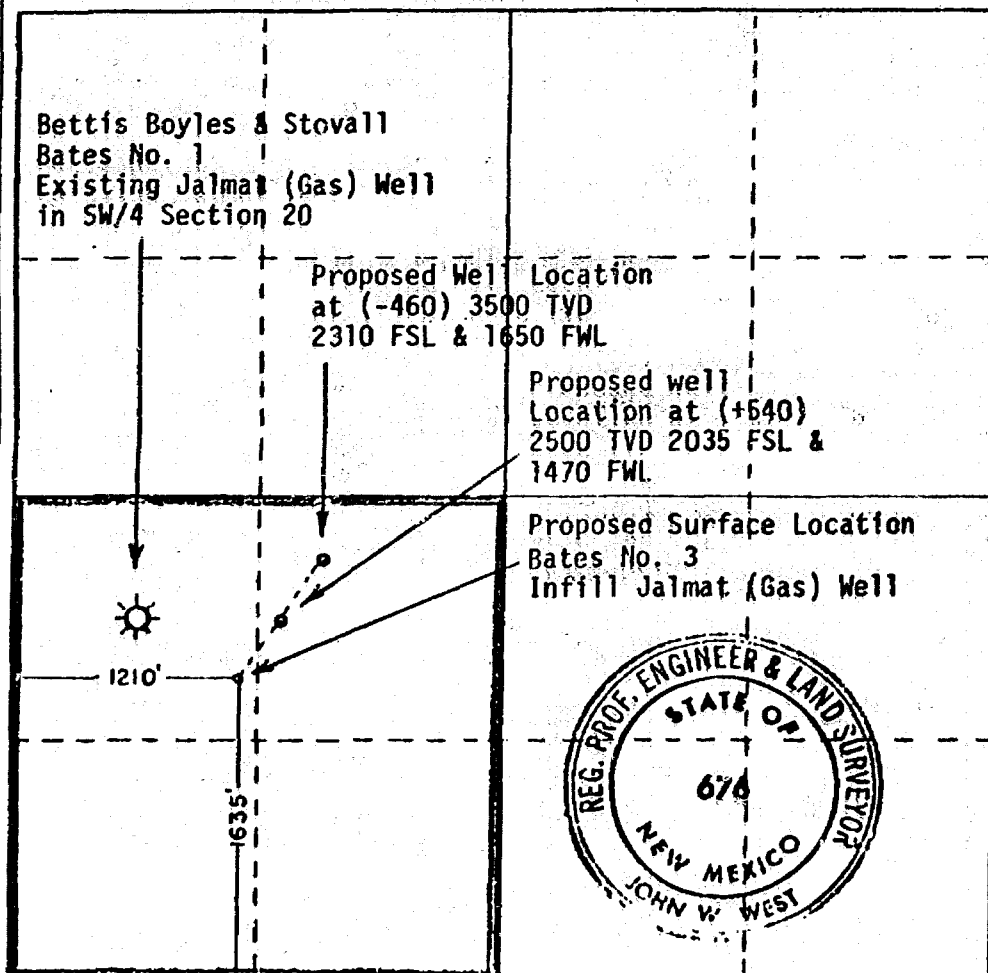
Operator DOYLE HARTMAN		Lease Bates		Well No. 3
Init Letter L	Section 20	Township 25 SOUTH	Range 37 EAST	County LEA
Actual Footage Location of Well: 1635 feet from the SOUTH line and 1210 feet from the WEST line				
Ground Level Elev. 3040.2	Producing Formation Yates	Pool Jalmat	Perforated Depth: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both an in 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 Commission.



CERTIFICATION

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

Name
Larry G. Nemy
Position
Engineer
Company
Doyle Hartman
Date
Aug 20, 1981

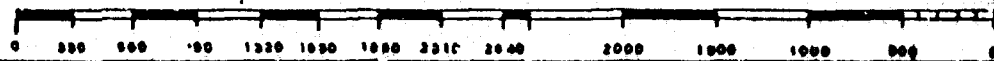
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
7-28-81

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6008
Ronald J. Eiden 3230



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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

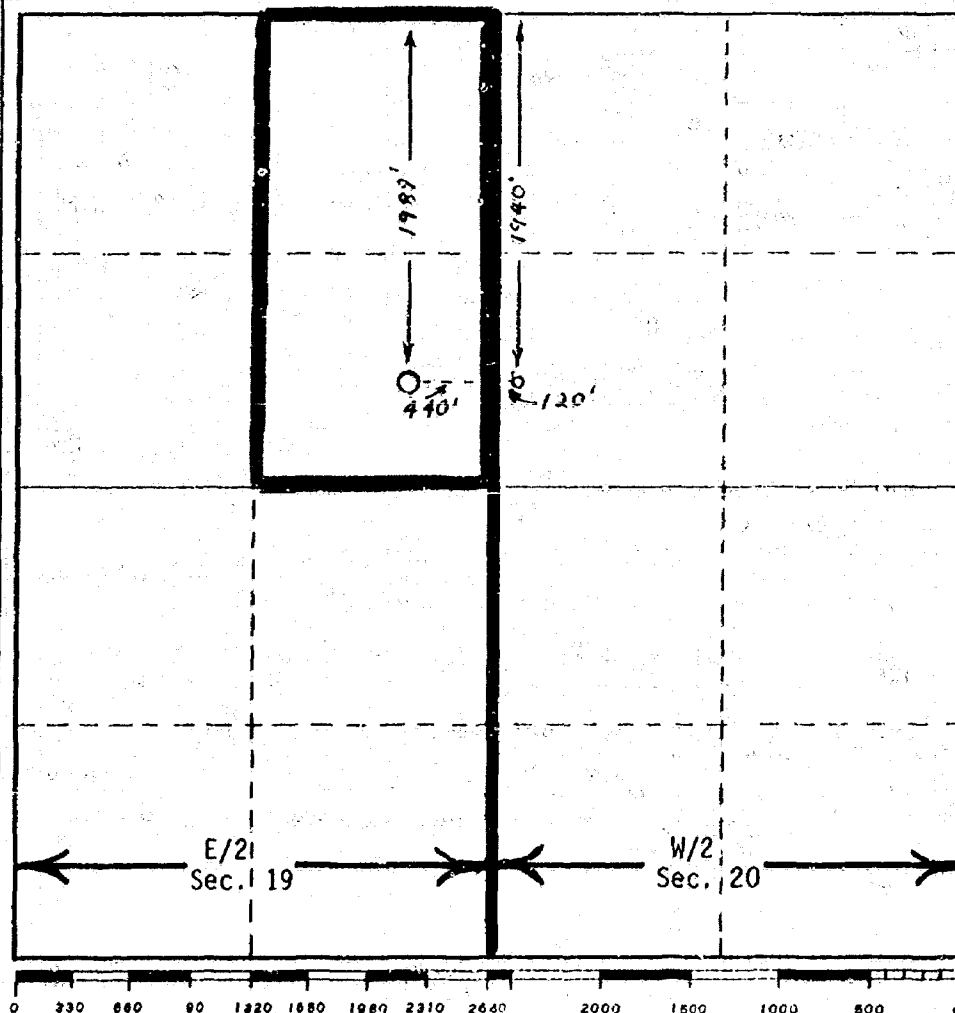
Operator Doyle Hartman			Lessee B.M. Justis		Well No. 10
Unit Letter E	Section 19 & 20	Township 25 South	Range 37 East	County Lea	
Actual Footage Location of Well: * 1989 feet from the North line and 440 feet from the East line of Sec. 19					
Ground Level Elev.	Producing Formation Yates-Seven Rivers	Fluid Jalmat (Gas)	Dedicated Acreage: 80 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
See attached C-102
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 Commission. * Bottom hole location at 3200 feet TVD.



CERTIFICATION

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

Name
Larry C. Nemer
Position
Engineer
Company
DOYLE HARTMAN
Date
Nov 2, 1981

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 _____

Registered Professional Engineer and/or Land Surveyor

Certificate No. _____

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

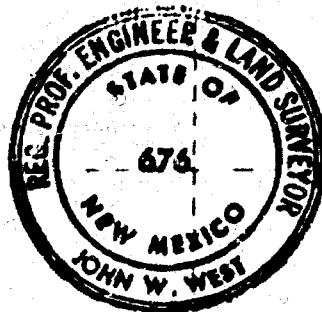
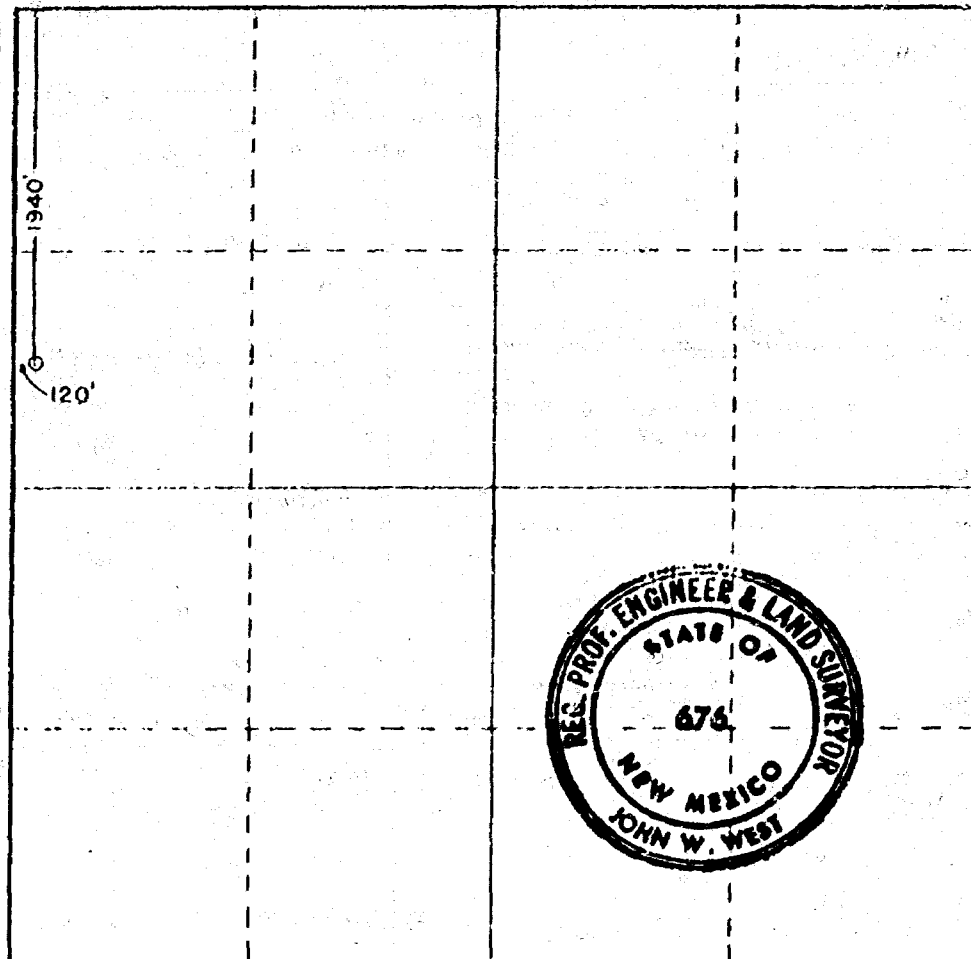
Driller Doyle Hartman				Lease B.M. Justis		Well No. 10	
Section E	Section 20	Township 25 South	Range 37 East	County Lea			
Actual Location of Well: <div style="display: flex; justify-content: space-between;"> 1940 feet from the North line and 120 feet from the West line </div>							
Ground Level Elev. 3067.5'		Producing Formation Yates-Seven Rivers		Pool Jalmit (Gas)		Indicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
See Attached C-102
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 communization, 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 communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Signature
Larry G. Nummy

Position
Engineer

By
DOYLE HARTMAN

Date
Nov 2, 1981

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.

OCT 23 1981

Date Surveyed
Oct. 20, 1981

Registered Professional Engineer and Land Surveyor

John W. West
Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6661
Ronald J. Elden 1239

DISPLACEMENT AND TRUE VERTICAL DEPTH
vs. MEASURED DEPTH
B. M. Justis No. 10
E/2 NE/4 Section 19, T-25-S, R-37-E
Lea County, New Mexico

<u>Measured Depth</u>	<u>Section</u>	<u>Average Deviation</u>	<u>Displacement</u>	<u>Total Displacement</u>	<u>TVD</u>
600	600	0	0	0	600
700	100	3/4	1.309	1.309	699.991
800	100	2 1/4	3.926	5.235	799.914
900	100	3 3/4	6.540	11.775	899.700
1000	100	5 1/4	9.150	20.925	999.280
1100	100	6 3/4	11.754	32.679	1098.587
1200	100	8 1/4	14.349	47.028	1197.552
1300	100	9 3/4	16.935	63.963	1296.108
1400	100	11 1/4	19.509	83.472	1394.187
1500	100	12 3/4	22.070	105.542	1491.721
1600	100	14 1/4	24.615	130.157	1588.644
1700	100	15	25.882	156.039	1685.237
2700	1000	15	258.820	414.858	2651.162
2800	100	15	25.882	440.740	2747.755
2900	100	15	25.882	466.622	2844.348
3000	100	15	25.882	492.504	2940.940
3100	100	15	25.882	518.386	3037.533
3200	100	15	25.882	544.268	3134.125
3268	68	15	17.560	561.828	3200.000

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

HARTMAN EXHIBIT NO. 8

CASE NO. 7408

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P. O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

October 13, 1981

State of New Mexico
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

HARTMAN EXHIBIT NO. 9

CASE NO. 7408

Re: Non-Standard Location
and Simultaneous Dedication
on a Non-Standard Proration
Unit
B. M. Justis Lease
E/2 NE/4 Section 19,
T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

In the near future, we plan to file forms C-101 and C-102 with the New Mexico Oil Conservation Division's District Office in Hobbs in order to obtain permission to drill a 3100-foot TVD infill Jalmat (Gas) well located at a bottom-hole location of 1980 FNL & 330 FEL Section 19, T-25-S, R-37-E, Lea County, New Mexico. The proposed new well (B. M. Justis No. 10) will be simultaneously dedicated to a newly formed 80-acre proration unit consisting of the E/2 NE/4 Section 19. The new proration unit will be comprised of the existing 40-acre proration unit for the B. M. Justis No. 1 Jalmat (Gas) well which consists of the SE/4 NE/4 Section 19 and the presently undedicated 40-acre Jalmat (Gas) tract consisting of the NE/4 NE/4 Section 19.

The B. M. Justis No. 10 will be situated in the center of the city of Jal, New Mexico and, out of consideration for both safety and drilling convenience, the well will be directionally drilled from a surface location of approximately 2050 FNL & 150 FWL Section 20 and will bottom at a true vertical depth of 3100' at approximately 1980 FNL & 330 FEL Section 19. The exact surface location will be known as soon as final arrangements with the surface owner and the Jal, New Mexico city officials can be finalized. However, at this time, it is not expected that there will be any variation between the proposed surface location and the final surface location. A hearing is now in the process of being scheduled for the November 4, 1981 Examiner Docket in order to obtain approval for the subject well as a directionally drilled well.

In the event the proposed well is completed as a commercial producer, and in compliance with the Natural Gas Policy Act of 1978, an application will also be submitted to the NMOCD to obtain administrative approval

Mr. Daniel S. Nutter
October 13, 1981
Page 2

for the well as a necessary infill well located on a previously existing proration unit.

Three copies of a plat showing the location of the original well on the existing 80-acre proration unit plus the location of the proposed well are enclosed.

Copies of this plat and application have also been sent to all off-setting parties owning shallow Jalmat dry gas rights. The following is a list of the offset Jalmat owners:

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

Attention: Mr. Al Kunkel

Battis, Boyle and Stovall
P. O. Box 1240
Graham, Texas 76046

Attention: Mr. Al Jonietz
Operations Manager

Sun-Texas
P. O. Box 4067
Midland, Texas 79702

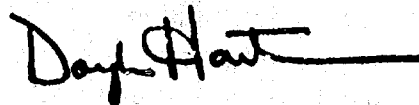
Attention: Mr. Tom Hobbs
Regional Land Manager

Conoco, Inc.
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. M. K. Mosley
Division Manager

Thank you for your consideration.

Very truly yours,



Doyle Hartman

Mr. Daniel S. Nutter
October 13, 1981
Page 3

cc: New Mexico Oil Conservation Division
District I Office
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton
District Supervisor

Campbell, Byrd and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87501

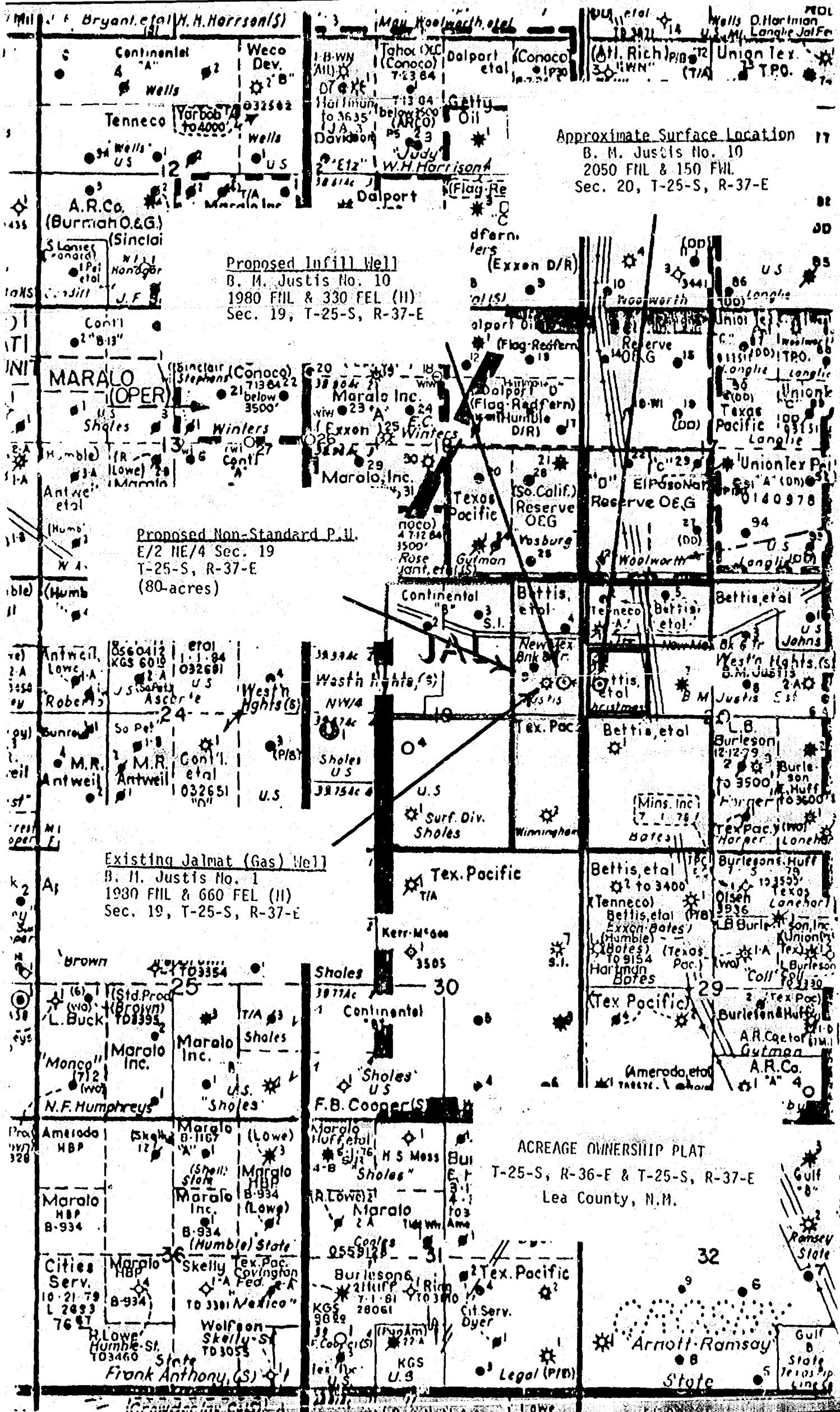
Attention: Mr. William F. Carr

Mr. William P. Aycock, P. E.
308 Wall Towers West
Midland, Texas 79701

LIST OF OFFSET JALMAT (GAS) OPERATORS

Doyle Hartman
Justis No. 10
H-19-25S-37E
(E/2 NE/4 Section 19, T-25-S, R-37-E)
Lea County, New Mexico

<u>Operator</u>	<u>Lease and Well Name(s)</u>	<u>Gas Well Locations</u>	<u>Unit Description</u>	<u>No. of Acres</u>
Getty Oil Company	South Langlie Jal Unit	No Active Well	SE/4 Section 18, T-25-S, R-37-E	160
Getty Oil Company	South Langlie Jal Unit	No Active Well	SW/4 Section 17, T-25-S, R-37-E	160
Bettis, Boyle and Stovall	B. M. Justis	No Active Well	N/2 NW/4 Section 20, T-25-S, R-37-E	50
Bettis, Boyle and Stovall	Christmas	No Active Well	SW/4 NW/4 Section 20, T-25-S, R-37-E	40
Doyle Hartman	Bates No. 1 Bates No. 3	L-20-25S-37E K-20-25S-37E	SW/4 Section 20, T-25-S, R-37-E	160
Sun Texas	Winningham No. 2	P-19-25S-37E	E/2 SE/4 Section 19, T-25-S, R-37-E	80
Conoco	Sholes "B-19" No. 1	N-19-25S-37E	E/2 SW/4 & W/2 SE/4 Section 19, T-25-S, R-37-E	160
Conoco	Sholes "B-19" No. 2 Sholes "B-19" No. 3	C-19-25S-37E B-19-25S-37E	E/2 NW/4 & W/2 NE/4 Section 19, T-25-S, R-37-E	160



Approximate Surface Location
B. M. Justis No. 10
2050 FHL & 150 FHL
Sec. 20, T-25-S, R-37-E

Proposed Infill Well
B. M. Justis No. 10
1980 FHL & 330 FEL (II)
Sec. 19, T-25-S, R-37-E

Proposed Non-Standard P.U.
E/2 NE/4 Sec. 19
T-25-S, R-37-E
(80-acres)

Existing Jalmat (Gas) Well
B. M. Justis No. 1
1980 FHL & 660 FEL (II)
Sec. 19, T-25-S, R-37-E

ACREAGE OWNERSHIP PLAT
T-25-S, R-36-E & T-25-S, R-37-E
Lea County, N.M.

Arnett-Ramsay
State
Gulf State
Texas
Line

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P. O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

October 13, 1981

To All Off-Setting Jalmat Dry Gas Owners

B. M. Justis No. 10

E/2 NE/4 Section 19,

T-25-S, R-37-E

Lea County, New Mexico

We would be very appreciative if you would indicate your approval of our request for non-standard location and simultaneous dedication on a non-standard proration unit to be dedicated to the above captioned well by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We have a rig available which we would like to use in the drilling of this well, so your prompt attention in this matter would be very much appreciated.

Very truly yours,


Doyle Hartman

Approved this _____
day of _____, 1981.

Getty Oil Company

Title _____

Bettis, Boyle and Stovall

Title _____

Sun-Texas

Title _____

Conoco, Inc.

Title _____

PS Form 3811, Jan. 1973

1. The following service is requested (check one):
☒ Show to whom and date delivered.....
☐ Show to whom, date and place of delivery.....
☐ RESTRICTED DELIVERY
☐ RESTRICTED DELIVERY
☐ RESTRICTED DELIVERY
 Show to whom, date and address of delivery.....

2. ARTICLE DESCRIBED TO:
 Sun-Texas
 P. O. Box 4067
 Midland, Texas 79702

3. ARTICLE DESCRIPTION:
 REGISTERED NO. PS 661132 CERTIFIED NO. _____ INSURED NO. _____
 (Always obtain signature of addressee or agent)

4. DATE OF DELIVERY _____ **POSTMARK** _____

5. ADDRESS (Company's only if requested) _____

6. SIGNATURE _____ **DATE** _____ **DAY** _____ **MONTH** _____ **YEAR** _____

7. AVAILABLE TO DELIVERY SERVICE: _____ **CLASS** _____ **POSTAGE** _____

PSN: 1973-300-459

6m Justis

TO:

Sun-Texas
 P. O. Box 4067
 Midland, Texas 79702
 Attn: Mr. Tom Hobbs
 Regional Land Manager

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P20

Sun-Texas
 P. O. Box 4067
 Midland, Texas 79702

POSTAGE 1.52

CERTIFIED FEE 75.60

SPECIAL DELIVERY _____

RESTRICTED DELIVERY _____

RETURN RECEIPT SERVICE _____

TOTAL POSTAGE AND FEES 1.97

POSTMARK OR DATE _____

10-13-81

6m Justis

P20

Form 3800, Jan. 1973

1. The following service is requested (check one):
☒ Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
☐ RESTRICTED DELIVERY
Show to whom and date delivered.....
Show to whom, date, and address of delivery, \$

2. ARTICLE ADDRESSED TO:
 CONOCO, INC.
 P. O. Box 460
 Hobbs, New Mexico 88240

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 0869093

4. DATE OF DELIVERY **POSTMARK**

5. UNABLE TO DELIVER BECAUSE: **CLEAR'S INITIALS**

6. SIGNATURE **Endorsement agent**

7. I have received the article described above.

8. RETURN RECEIPT, RETURNED, INSURED AND CERTIFIED MAIL

B.M. Justice

PS Form 3800, Apr. 1976

TO:

DOYLE HARTMAN
 P. O. BOX 10426
 MIDLAND, TEXAS 79702

Conoco, Inc.
 P. O. Box 460
 Hobbs, New Mexico 88240

Attn: Mr. M. K. Mosley
 Division Manager

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

SENT TO
 Conoco, Inc.
 STREET AND NO.
 P. O. Box 460
 P.O. STATE AND ZIP CODE
 Hobbs, New Mexico 88240

POSTAGE \$ 52

CERTIFIED FEE 75

SPECIAL DELIVERY

RESTRICTED DELIVERY

SHOW TO WHOM AND DATE DELIVERED

SHOW TO WHOM AND DATE DELIVERED

TOTAL POSTAGE AND FEES \$ 1.87

POSTMARK OR DATE

10-13-81

B.M. Justice

0869093

P20 0869093

MAIL

PS Form 3811, Jan. 1979

1. The following service is requested (check one):
☒ Show to whom and date delivered.....
☐ Show to whom date and address of delivery.....
☐ RESTRICTED DELIVERY
☐ Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
☐ Show to whom, date, and address of delivery.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ACCOMPANIED TO:
 Getty Oil Company
 P. O. 1231
 Midland, Texas 79702

3. ARTICLE DESCRIPTION:
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 10869134

(I have received the article described above.)
 SIGNATURE Date of delivery Delivered agent

4. DATE OF DELIVERY POSTMARK

5. ADDRESS (Complete only as requested)

6. UNABLE TO DELIVER BECAUSE: CLERK'S INITIALS

PS Form 3811, Jan. 1979

Bm Justis

☆GPO 1979-000-529

TO:

DOYLE HARTMAN
 P. O. BOX 10426
 MIDLAND, TEXAS 79702

Getty Oil Company
 P. O. Box 1231
 Midland, Texas 79702

Attn: Mr. Al Kunkel

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P20 0006204

SENT TO:
 Getty Oil Company
 STREET AND NO.
 P. O. Box 2131
 P.O. STATE AND ZIP CODE
 Midland, Texas 79702

POSTAGE \$32

CERTIFIED FEE 75

OPTIONAL SERVICES
 RETURN RECEIPT SERVICE 60

CONSULT POSTMASTER FOR FEES

TOTAL POSTAGE AND FEES 187

POSTMARK ON DATE 10-13-81

Bm Justis

CERTIFIED MAIL

P20 10869134

PS Form 3811, Jan 1978

1. **SENDER:** Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

2. **The following service is requested (check one):**
☒ Show to whom and date delivered.....
☐ Show to whom, date and address of delivery.....
☐ RESTRICTED DELIVERY
☐ Show to whom and date delivered.....
☐ RESTRICTED DELIVERY
☐ Show to whom, date, and address of delivery.....

(CONSULT POSTMASTER FOR FEES)

3. **ARTICLE ADDRESSED TO:**
 State of New Mexico
 Energy & Minerals Dept.
 P. O. Box 2088
 Santa Fe Mexico 87501

4. **ARTICLE DESCRIPTION:**
 REGISTERED NO. CERTIFIED NO. INSURED NO.
 P869135

5. **Signature:** I have received the article described above.
 Signature: _____ Date: _____

6. **DATE OF DELIVERY:** _____

7. **ADDRESS (Complete only if addressed to addressee):** _____

8. **UNABLE TO DELIVER REASON:** _____

9. **POSTMARK:** _____

10. **CLERK'S INITIALS:** _____

11. **POSTAGE:** _____

12. **POSTAGE AND FEES:** _____

13. **POSTMASTER'S NO. 1234**

8m Justis

TO:

DOYLE HARTMAN
 P. O. BOX 10426
 MIDLAND, TEXAS 79702

Daniel S. Nutter
 New Mexico Oil Conservation Commission
 P. O. Box 2088
 Santa Fe, New Mexico 87501

PS Form 3808, Apr 1976

RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

P20 500225

SENT TO: State of New Mexico
 Energy & Minerals Dept.
 P. O. Box 2088
 Santa Fe Mexico 87501

POSTAGE: 15

REGISTERED-FEE: 75

OPTIONAL SERVICES:

RETURN RECEIPT SERVICE	REGISTERED DELIVERY	INSURANCE	POSTAGE AND FEES
60			

TOTAL POSTAGE AND FEES: \$

POSTMASTER'S NO. 1234

8m Justis

10-13-81

P20 0000225

DOYLE HARTMAN

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

(915) 684-4011

October 13, 1981

To All Off-Setting Jalmat Dry Gas Owners
B. M. Justis No. 10
E/2 NE/4 Section 19,
T-25-S, R-37-E
Lea County, New Mexico

We would be very appreciative if you would indicate your approval of our request for non-standard location and simultaneous dedication on a non-standard proration unit to be dedicated to the above captioned well by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We have a rig available which we would like to use in the drilling of this well, so your prompt attention in this matter would be very much appreciated.

Very truly yours,

Doyle Hartman
Doyle Hartman

Approved this 19th
day of October, 1981.

Getty Oil Company

✓ *J. R. Howard*

Title District Engineer

Bettis, Boyle and Stovall

Title _____

Sun-Texas

Title _____

Conoco, Inc.

Title _____

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION <i>W. M. M.</i> EXHIBIT NO. <u>10</u> CASE NO. <u>7408</u>
--

OCT 20 1981

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P. O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

October 13, 1981

To All Off-Setting Jalmat Dry Gas Owners
B. M. Justis No. 10
E/2 NE/4 Section 19,
T-25-S, R-37-E
Lea County, New Mexico

We would be very appreciative if you would indicate your approval of our request for non-standard location and simultaneous dedication on a non-standard proration unit to be dedicated to the above captioned well by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We have a rig available which we would like to use in the drilling of this well, so your prompt attention in this matter would be very much appreciated.

Very truly yours,


Doyle Hartman

Approved this 19th
day of October, 1981.

Getty Oil Company

Title _____

Bettis, Boyle and Stovall

✓ 
Title Operator MGR.

Sun-Texas

Title _____

Conoco, Inc.

Title _____

OCT 21 1981

Dockets Nos. 36-81 and 37-81 are tentatively set for November 19 and December 4, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 4, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner or Richard L. Stamets, Alternate Examiner:

- CASE 7396: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Sentry Oil Exploration Company and Lawyers Surety Corporation to appear and show cause why Farr Well No. 1, located in Unit G of Section 6, Township 31 North, Range 34 East, Union County, New Mexico, should not be ordered plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7380: (Continued and Readvertised)
- Application of Bird Oil Corporation for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Entrada location of a well to be drilled 2110 feet from the North line and 1120 feet from the East line of Section 10, Township 22 South, Range 9 West, the SE/4 NE/4 of said Section 10 to be dedicated to the well.
- CASE 7397: Application of Belco Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Strawn production in the wellbore of its Kimbley Well No. 1, located in Unit G of Section 21, Township 23 South, Range 28 East.
- CASE 7398: Application of El Paso Natural Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Fenn well, to be drilled 660 feet from the South and West lines of Section 23, Township 26 South, Range 30 East, Ross Draw Area, the S/2 of said Section 23 to be dedicated to the well.
- CASE 7399: Application of Texaco, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Vacuum Abo West Unit Area, comprising 2000 acres, more or less, of state lands in Township 17 South, Range 34 East.
- CASE 7400: Application of Texaco, Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its North Vacuum Abo West Unit Area by the injection of water into the Abo formation through 13 wells located in Sections 15, 21, 22, 27, 28 and 34, Township 17 South, Range 34 East, North Vacuum-Abo Pool.
- CASE 7401: Application of Morris R. Antweil for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2410 feet from the North line and 330 feet from the West line of Section 21, Township 18 South, Range 38 East, Hobbs Grayburg-San Andres Pool, the SW/4 NW/4 of said Section 21 to be dedicated to the well.
- CASE 7384: (Continued from October 21, 1981, Examiner Hearing)
- Application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4 SW/4 of Section 5, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7402: Application of MGF Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the NW/4 NW/4 of Section 5, Township 20 South, Range 39 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7403: Application of Arco Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Jalmat and Langlie Mattix production in the wellbore of its E. L. Steeler WN Well No. 5, located in Unit J of Section 15, Township 23 South, Range 37 East.

CASE 7359: (Continued from October 7, 1981, Examiner Hearing)

Application of Energy Reserves Group for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico.

Applicant, in the above-styled cause, seeks creation of a new Cisco gas pool for its Miller Com Well No. 1, located in Unit M of Section 12, Township 6 South, Range 33 East.

Applicant further seeks approval for an unorthodox location for its Miller "A" Well No. 1-Y, to be drilled 1800 feet from the South line and 1700 feet from the East line of Section 11 of the same township. The S/2 of said Section 11 to be dedicated to the well.

CASE 7383: (Continued from October 21, 1981, Examiner Hearing)

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the NW/4 of Section 19, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7404: Application of TXO Production Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an infill well to be drilled 2000 feet from the North line and 660 feet from the East line of Section 18, Township 21 South, Range 26 East, Catclaw Draw-Morrow gas pool.

CASE 7405: Application of Carl Schellinger for dual completion and an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of his Campbell Station Unit Well No. 1, to produce gas from the Abo and Pennsylvanian formations. Applicant further seeks approval of the unorthodox Pennsylvanian location of said well 660 feet from the South and West lines of Section 34, Township 8 South, Range 27 East, the S/2 of said Section 34 to be dedicated to the Pennsylvanian and the SW/4 to the Abo.

CASE 7406: Application of Depco, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 23, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7407: Application of Mesa Petroleum Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 23, Township 5 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7408: Application of Doyle Hartman for directional drilling, a non-standard proration unit, an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location 1980 feet from the North line and 330 feet from the East line of Section 19, Township 25 South, Range 37 East. Applicant further proposes to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

DOYLE HARTMAN

Oil Operator

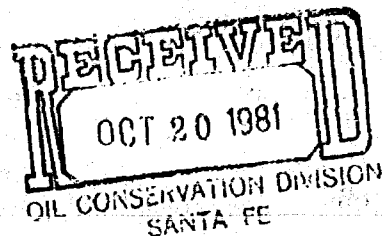
500 N. MAIN

P. O. BOX 10428

MIDLAND, TEXAS 79702

(915) 684-4011

October 13, 1981



State of New Mexico
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Daniel S. Nutter

Re: Non-Standard Location
and Simultaneous Dedication
on a Non-Standard Proration
Unit
B. M. Justis Lease
E/2 NE/4 Section 19,
T-25-S, R-37-E
Lea County, New Mexico

Gentlemen:

This already has been set for hrg file in case 7408

In the near future, we plan to file forms C-101 and C-102 with the New Mexico Oil Conservation Division's District Office in Hobbs in order to obtain permission to drill a 3100-foot TVD infill Jalmat (Gas) well located at a bottom-hole location of 1980 FNL & 330 FEL Section 19, T-25-S, R-37-E, Lea County, New Mexico. The proposed new well (B. M. Justis No. 10) will be simultaneously dedicated to a newly formed 80-acre proration unit consisting of the E/2 NE/4 Section 19. The new proration unit will be comprised of the existing 40-acre proration unit for the B. M. Justis No. 1 Jalmat (Gas) well which consists of the SE/4 NE/4 Section 19 and the presently undedicated 40-acre Jalmat (Gas) tract consisting of the NE/4 NE/4 Section 19.

adv surf locs 1940 FNL 120 FNL of Sec 20

The B. M. Justis No. 10 will be situated in the center of the city of Jal, New Mexico and, out of consideration for both safety and drilling convenience, the well will be ~~directionally~~ drilled from a surface location of approximately 2050 FNL & 150 FNL Section 20 and will bottom at a true vertical depth of 3100' at approximately 1980 FNL & 330 FEL Section 19. The exact surface location will be known as soon as final arrangements with the surface owner and the Jal, New Mexico city officials can be finalized. However, at this time, it is not expected that there will be any variation between the proposed surface location and the final surface location. A hearing is now in the process of being scheduled for the November 4, 1981 Examiner Docket in order to obtain approval for the subject well as a directionally drilled well.

Blaw hoc. loc OK

In the event the proposed well is completed as a commercial producer, and in compliance with the Natural Gas Policy Act of 1978, an application will also be submitted to the NMOCD to obtain administrative approval

Mr. Daniel S. Nutter
October 13, 1981
Page 2

for the well as a necessary infill well located on a previously existing proration unit.

Three copies of a plat showing the location of the original well on the existing 80-acre proration unit plus the location of the proposed well are enclosed.

Copies of this plat and application have also been sent to all off-setting parties owning shallow Jalmat dry gas rights. The following is a list of the offset Jalmat owners:

Getty Oil Company
P. O. Box 1231
Midland, Texas 79702

Attention: Mr. Al Kunkel

Bettis, Boyle and Stovall
P. O. Box 1240
Graham, Texas 76046

Attention: Mr. Al Jonietz
Operations Manager

Sun-Texas
P. O. Box 4067
Midland, Texas 79702

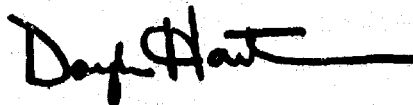
Attention: Mr. Tom Hobbs
Regional Land Manager

Conoco, Inc.,
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. M. K. Mosley
Division Manager

Thank you for your consideration.

Very truly yours,



Doyle Hartman

Mr. Daniel S. Nutter
October 13, 1981
Page 3

cc: New Mexico Oil Conservation Division
District I Office
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton
District Supervisor

Campbell, Byrd and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87501

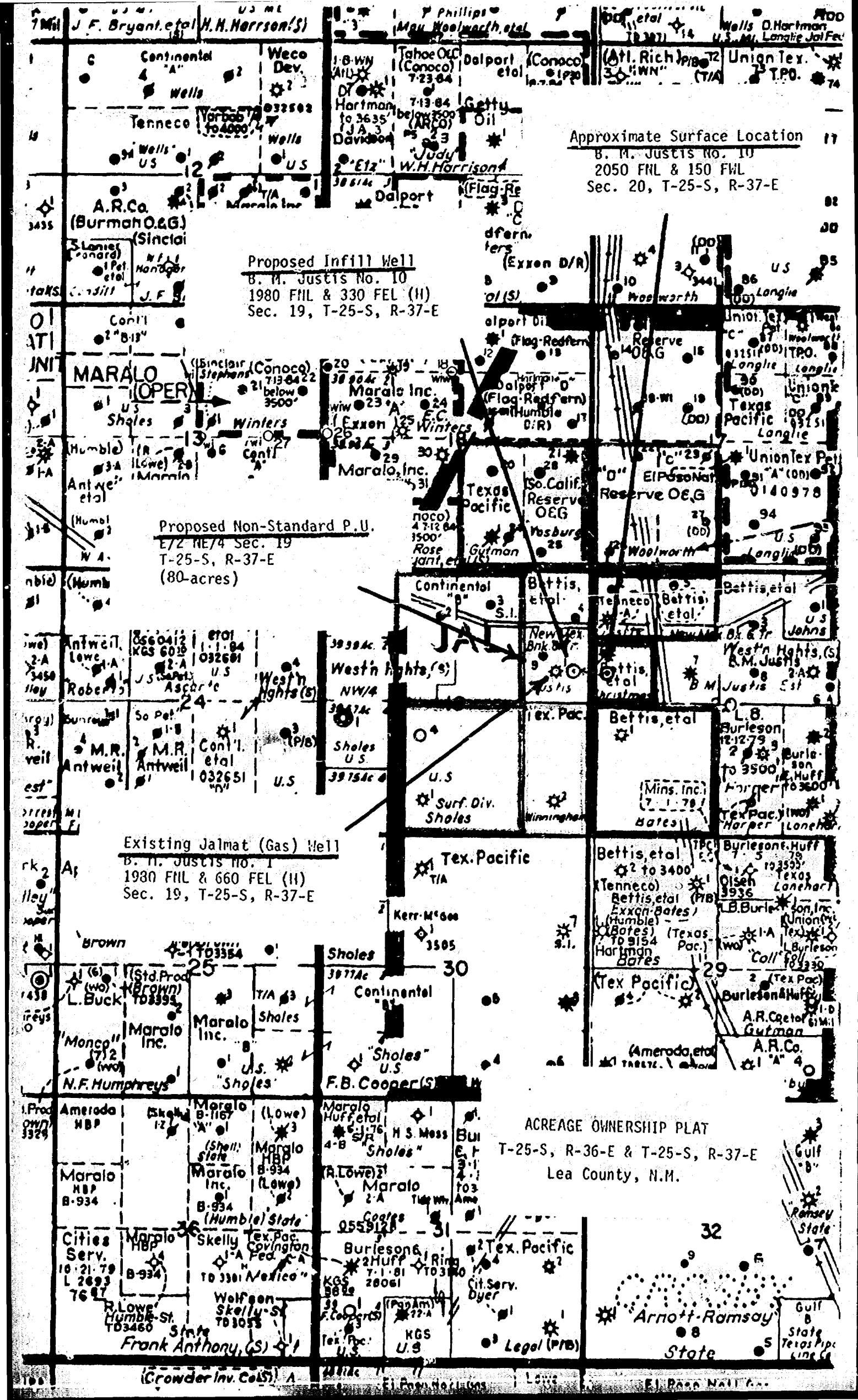
Attention: Mr. William F. Carr

Mr. William P. Aycock, P. E.
308 Wall Towers West
Midland, Texas 79701

LIST OF OFFSET JALMAT (GAS) OPERATORS

Doyle Hartman
Justis No. 10
H-19-25S-37E
(E/2 NE/4 Section 19, T-25-S, R-37-E)
Lea County, New Mexico

<u>Operator</u>	<u>Lease and Well Name(s)</u>	<u>Gas Well Locations</u>	<u>Unit Description</u>	<u>No. of Acres</u>
Getty Oil Company	South Langlie Jal Unit	No Active Well	SE/4 Section 18, T-25-S, R-37-E	160
Getty Oil Company	South Langlie Jal Unit	No Active Well	SW/4 Section 17, T-25-S, R-37-E	160
Bettis, Boyle and Stovall	B. M. Justis	No Active Well	N/2 NW/4 Section 20, T-25-S, R-37-E	80
Bettis, Boyle and Stovall	Christmas	No Active Well	SW/4 NW/4 Section 20, T-25-S, R-37-E	40
Doyle Hartman	Bates No. 1	L-20-25S-37E	SW/4 Section 20,	160
	Bates No. 3	K-20-25S-37E	T-25-S, R-37-E	
Sun Texas	Wilmington No. 2	P-19-25S-37E	E/2 SE/4 Section 19, T-25-S, R-37-E	80
Conoco	Sholes "B-19" No. 1	N-19-25S-37E	E/2 SW/4 & W/2 SE/4 Section 19, T-25-S, R-37-E	160
Conoco	Sholes "B-19" No. 2	C-19-25S-37E	E/2 NW/4 & W/2 NE/4	160
	Sholes "B-19" No. 3	B-19-25S-37E	Section 19 T-25-S, R-37-E	



DOYLE HARTMAN

Oil Operator

500 N. MAIN

P. O. BOX 10428

MIDLAND, TEXAS 79702

(915) 684-4911

October 13, 1981

To All Off-Setting Jalmat Dry Gas Owners
B. M. Justis No. 10
E/2 NE/4 Section 19,
T-25-S, R-37-E
Lea County, New Mexico

We would be very appreciative if you would indicate your approval of our request for non-standard location and simultaneous dedication on a non-standard proration unit to be dedicated to the above captioned well by signing one copy of this request and returning it in the enclosed stamped, self-addressed envelope.

We have a rig available which we would like to use in the drilling of this well, so your prompt attention in this matter would be very much appreciated.

Very truly yours,


Doyle Hartman

Approved this _____
day of _____, 1981.

Getty Oil Company

Title _____

Bettis, Boyle and Stovall

Title _____

Sun-Texas

Title _____

Conoco, Inc.

Title _____

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

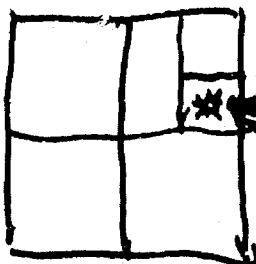
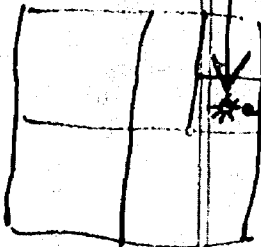
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IN THE MATTER OF THE APPLICATION
OF DOYLE HARTMAN FOR DIRECTIONAL
DRILLING, A NON-STANDARD PRORATION
UNIT, AN UNORTHODOX WELL LOCATION
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

CASE 7408

APPLICATION

Comes now DOYLE HARTMAN, by and through his undersigned attorneys and hereby makes application to the Oil Conservation Division for directional drilling, simultaneous dedication, unorthodox well location and a non-standard proration unit in the Jalmat Gas Pool and in support thereof, respectfully states:

1. Applicant owns or controls through farmout the Jalmat rights underlying the E/2 NE/4 of Section 19, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. The SE/4 NE/4 of said Section 19 is presently dedicated to the Bettis, Boyle & Stovall Justis No. 1 Well located 1980 feet from the North line and 660 feet from the East line of said Section 19 which is capable of only marginal production.
3. The NE/4 NE/4 of said Section 19 is undedicated.
4. Applicant proposes to drill its Justis No. 10 Well to an unorthodox bottom hole location in the Jalmat Pool at a point 1980 feet from the North line and 330 feet from the East line of said Section 19.



5. Applicant further proposes to simultaneously dedicate the Bettis, Boyle & Stovall Justis No. 1 Well and the Hartman Justis No. 10 Well to an 80 acre non-standard proration unit comprised of the E/2 NE/4 of said Section 19.

6. The subject well will be located within the city limits of Jal, New Mexico and it will be necessary to directionally drill this well from a surface location in Section 20, Township 25 South, Range 37 East.

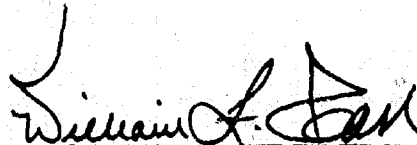
7. The approval of this application will afford applicant the opportunity to produce his just and equitable share of the gas from the Jalmat Pool and will not impair correlative rights.

WHEREFORE, Doyle Hartman requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

Rough
HERBIE

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE No. 7408

Order No. R-6821

B. J. L.
J. R.
APPLICATION OF DOYLE HARTMAN FOR
DIRECTIONAL DRILLING, A NON-STANDARD
PRORATION UNIT, AN UNORTHODOX LOCATION
AND SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 4,
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of November, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

-2-

Case No. 7408
Order No. R-

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Doyle Hartman, seeks authority to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location, ^{within 100 feet of a point} 1989 feet from the North line and ⁴⁴⁰ ~~430~~ feet from the East line of Section 19, Township 25 South, Range 37 East.

(3) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(4) That no offset operator objected to the proposed unorthodox location:

(5) That the applicant further proposes to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

(6) That the applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(7) That 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 will otherwise prevent waste and protect correlative rights.

(8) That the application should be approved.

IT IS THEREFORE ORDERED:

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Case No. 7408
Order No. R-

(1) That the applicant, Doyle Hartman, is hereby authorized to directionally drill his Justis Well No. 10, the surface location of which is 1940 feet from the North line and 120 feet from the West line of Section 20, Township 25 South, Range 37 East, in such a manner as to bottom said well in the Jalmat Gas Pool at an unorthodox location ^{within 100 feet of a point} 1989 feet from the North line and ⁴⁴⁰ 530 feet from the East line of Section 19, Township 25 South, Range 37 East.

(2) That approval is hereby given to simultaneously dedicate said well and the Bettis, Boyle and Stovall Justis Well No. 1 to an 80-acre non-standard proration unit comprising the E/2 NE/4 of said Section 19.

PROVIDED HOWEVER, that subsequent to the above described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(3) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths, and the bottom hole location of the well.

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Case No. 7408

Order No. R-

(4) That 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

JOE D. RAMEY,

Director

S E A L