



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 5, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Doyle Hartman, Oil Operator
P. O. Box 10426
Midland, Texas 79702

Telefax No. (432) 682-7616

Attention: Doyle Hartman

Administrative Order SD-04-03

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 29, 2004 (*administrative application reference No. pMES0-412647138*); and (ii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-516 and 516-A, NSP-744, NSP-1193, NSP-1194, NSP-1517 (L) (SD), and NSL-4665 (SD) and Division Case No. 6197 (see Division Order No. R-5701: all concerning your plans for additional development of the Jalmat Gas Pool (79240) within the existing non-standard 320-acre lay-down gas spacing unit comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of the "Special Pool Rules for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

The subject 320-acre unit was established by Division Administrative Order NSP-1517 (L) (SD), dated November 2, 1987 for the following two wells:

- (1) your State LM "T" Well No. 9 (API No. 30-025-26616), located at a standard gas well location 780 feet from the North line and 1860 feet from the West line (Unit C) of Section 36, which well was the subject of Division Administrative Orders NSP-1194, dated May 26, 1980, and NSP-1517 (L) (SD); and
- (2) your State LM "T" Well No. 10 (API No. 30-025-26617), located at a standard gas well location 1860 feet from the North line and 780 feet from the East line (Unit H) of Section 36, which well was the subject of Division Administrative Orders NSP-1193, dated May 26, 1980, and NSP-1517 (L) (SD).

By Division Administrative Order NSL-4665 (SD), dated November 26, 2001, a third Jalmat gas well for this unit, the State LM "T" Well No. 11 (API No. 30-025-35366), located at an unorthodox infill gas well location 1150 feet from the North line and 1750 feet from the East line (Unit B) of Section 36, was approved.

It is the Division's understanding that the above-described State LM "T" Well No. 10 (API No. 30-025-26617) in Unit "H" is to be replaced by recompleting the temporarily abandoned OXY USA Inc. Myers Langlie Mattix Unit Well No. 63, formerly known as and to be redesignated the State LM "T" Well No. 5 (API No. 30-025-09476), located at a standard infill gas well location 660 feet from the North and East lines (Unit A) of Section 36, which well was the subject of Division Administrative Order NSP-744. Further, once Jalmat gas production is established in the State LM "T" Well No. 5, the State LM "T" Well No. 10 will be abandoned.

It is further understood that you propose to drill the State LM "T" Well No. 12 as this unit's fourth active Jalmat gas well at a standard gas well location, pursuant to Rule 3 (A) (2) of the special rules governing the Jalmat Gas Pool, within either the NW/4 NW/4 (Unit D) or the SW/4 NW/4 (Unit E) of Section 36.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Doyle Hartman is hereby authorized to simultaneously dedicate Jalmat gas production to this 320-acre non-standard gas spacing unit from the above-described State LM "T" Wells No. 5, 9, 11, and 12. Furthermore, all provisions applicable to the subject 320-acre non-standard gas spacing unit in Division Administrative Orders NSP-1517 (L) (SD) and NSL-4665 (SD), not in conflict with this order, shall remain in full force and affect until further notice.

The provisions of Division Administrative Order NSL-4665 (SD), as to the above-described State LM "T" Well No. 10, shall remain in affect until such time as the State LM "T" Well No. 5 is successfully completed within the Jalmat Gas Pool and commences producing.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

MS/mes

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: NSP-1517 (L) (SD)
NSL-4665 (SD)