

DOYLE HARTMAN
Oil Operator
500 N. Main
P.O. Box 10426
Midland, Texas 79702
(432)-684-4011 Office / 682-7616 Fax

Rec: 4-12-2005

Susp: 5-2-2005

FAX COVER SHEET

PMFSD-511564663

To:

NAME Mike Stagner	DATE AND TIME OF TRANSMISSION 4/12/05
COMPANY NMACD	FAX NUMBER (505) 476-3462

From:

NAME Steve Hartman

Reference:

SUBJECT

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Message:

4-25-2005

- 9:25AM Steve Hartman called to check on the status of this application.
- Waiting on C-101 approval from Hobbys
- Will try to look at it today.

Page: 1 of 8

DOYLE HARTMAN

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

(432) 684-4011
(432) 682-7616 FAX

April 12, 2005

Via Facsimile (505) 476-3462

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

**Re: Administrative Order NSP-1517-A (SD), Approved 11/05/2004
Proposed State "LMT" No. 8 Infill Jalmat Gas Well
660' FNL & 660' FWL (D), Sec. 36, T-23-S, R-36-E**

Michael,

As a follow up to our telephone conversation this morning, reference is made to Administrative Order NSP-1517-A (SD), approved November 5, 2004 (copy enclosed). The Administrative Order gave approval for a 240-acre, non-standard gas proration unit consisting of the NW/4, W/2 NE/4 Section 36, T-23-S, R-36-E. The order also gave approval for the simultaneous dedication of an infill Jalmat gas well (the State "LMT" No. 12) to be drilled (at a standard infill gas well location) in the W/2 of the NW/4 Section 36, T-23-S, R-36-E.

After a review of our State "LMT" lease and well files, and due to the fact there is presently a rig and man-power shortage in the Permian Basin, it would behoove us to re-enter the plugged and abandoned Myers Langlie Mattix Unit Well No. 66 (formerly known as, and to be redesignated, the State "LMT" No. 8) instead of drilling the State "LMT" No. 12 infill Jalmat Gas well. The State "LMT" No. 8 is located at a standard infill gas well location of 660' from the North and West lines (Unit D), Section 36, T-23-S, R-36-E. Doyle Hartman respectfully requests approval to simultaneously dedicate the State "LMT" No. 8 infill Jalmat gas well in place of the State "LMT" No. 12. Moreover, it would be more cost effective (thus preventing economic waste) by re-entering the plugged and abandoned Myers Langlie Mattix Unit No. 66 (State "LMT" No. 8) rather than drilling and completing the State "LMT" No. 12. Your attention and assistance in this matter would be most appreciated.

Very truly yours,

DOYLE HARTMAN, Oil Operator



Steve Hartman
Engineer

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
April 12, 2005
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cc: New Mexico Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
Attn: Chris Williams and Donna Mull
1625 French Drive
Hobbs, NM 88240



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

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

November 5, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Telefax No. (432) 682-7616

Attention: **Steve Hartman**
Engineer

Administrative Order NSP-1517-A (SD)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on October 8, 2004 (*administrative application reference No. pSEM0-428252076*); 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), NSL-4665 (SD), and SD-04-03 and Division Case No. 6197 (see Division Order No. R-5701); all concerning your request to decrease the acreage of an existing non-standard 320-acre gas spacing unit in the Jalmat Gas Pool (79240) comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, by deleting therefrom the 80 acres comprising the E/2 NE/4 of Section 36.

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) 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) State LM "T" Well No. 10 (API No. 30-025-26617), located at a location considered "unorthodox" at that time, but now under Rule 3 (A) (2) of the special rules currently governing the Jalmat Gas Pool is "standard," 1860 feet from the North line and 780 feet from the East line (Unit H) of Section 36, which well was also the subject of Division Administrative Orders NSP-1193, dated May 26, 1980.

RECEIVED
NOV 8 2004

Doyle Hartman, Oil Operator
November 5, 2004
Page 2

Division Administrative Order NSP-1517-A (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.

Division Administrative Order SD-04-03 issued May 5, 2004 authorized:

(1) a forth Jalmat gas well for this unit, the State LM "T" Well No. 12, located to be drilled at a standard infill 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; and

(2) that the above-described State LM "T" Well No. 10 in Unit "H" of Section 36 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 also the subject of Division Administrative Order NSP-744.

Division Administrative Order SD-04-03 further provided that once Jalmat gas production was established in the State LM "T" Well No. 5, the State LM "T" Well No. 10 would be abandoned.

It is the Division's understanding that the two above described: (i) State LM "T" Well No. 5 in Unit "A" of Section 36 has been recompleted as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the NE/4 NE/4 of Section 36 is to be omitted from this 320-acre non-standard gas unit at this time; and (ii) State LM "T" Well No. 10 in Unit "H" of Section 36, after remedial work was performed, was reclassified as a Jalmat "oil" well and its corresponding 40-acre standard oil spacing and proration unit comprising the SE/4 NE/4 of Section 36 is also to be omitted from this 320-acre non-standard gas unit.

By the authority granted me under the provisions of Rules 4 (C) and (D) of the special rules governing the Jalmat Gas Pool, the following described 240-acre non-standard gas spacing unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 36: W/2 NE/4 and NW/4.

Doyle Hartman, Oil Operator
November 5, 2004
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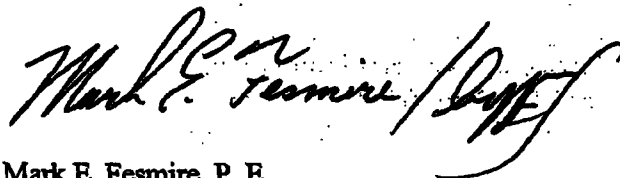
Division Administrative Order NSP-1517-A (SD)

Further, 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, Oil Operator, is hereby authorized to simultaneously dedicate Jalmat gas production to this 240-acre non-standard gas spacing unit from the above-described State LM "T" Wells No. 9, 11, and 12.

It is further ordered that: (i) all provisions applicable to the location exception for the above-described State LM "T" Well No. 11, not in conflict with this order, shall remain in full force and affect until further notice; and (ii) Division Administrative Orders SD-04-03 and NSP-1517 (L) (SD), now deemed obsolete to a spacing unit that does not exist, are hereby placed in abeyance until further notice.

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

Sincerely,



Mark E. Fesmire, P. E.
Director

MRF/ms

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: Division Administrative Order NSP-516
Division Administrative Order NSP-516-A
Division Administrative Order NSP-744
Division Administrative Order NSP-1193
Division Administrative Order NSP-1194
Division Administrative Order NSP-1517 (L) (SD)
Division Administrative Order NSL-4665 (SD)
Division Administrative Order SD-04-03
Division Case No. 6197

DOYLE HARTMAN
ST. JACINTO
NOV 8 2004

NOV 8 2004

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-101

May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Doyle Hartman 500 N. Main St. Midland, TX 79701		OGRID Number 6473
Property Name State "LMT"		API Number 30-025-09480
Property Code 33240	Well No. 8	
Proposed Pool 1 Jalmat (T-Y-7R) Gas		Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
D	36	23S	36E		660'	North	660'	West	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

Work Type Code E	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3327'
Multiple No	Proposed Depth 3600'	Formation Queen	Contractor Lucky Well Service	Spud Date 05/01/2005
Depth to Groundwater 120'		Distance from nearest fresh water well 0.53 ml.		Distance from nearest surface water N/A
Pit: Liner: Synthetic <input type="checkbox"/> _____ miles thick Clay <input type="checkbox"/> Pit Volume: 500 bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> (500 BBL Frac Tank) Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5 #/ft	289'	200 sx	Circ.
11"	8 5/8"	28 #/ft	1219'	625 sx	260'
7 3/8"	5 1/2"	15.5 #/ft	3480'	500 sx	2055'
4 3/4"	4 1/2" F.J.L.	11.6 #/ft	3440' - 3600'	1200 sx	3440'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

The State "LMT" No. 8 well was completed, on 8/25/1949, as an open-hole Langlie Mattix (7R-Q) oil producer, from 3480' to 3600', for an initial production of 76 BOPD.

On 9/6/2003 - 9/9/2003, Oxy plugged and abandoned the well, as follows:

1. Spotted 25 sx cement plug at 2920'.
2. Perf'd 5 1/2" csg at 1269' and squeezed w/ 35 sx (TOC @ 1149').
3. Perf'd 5 1/2" csg at 339' and squeezed w/ 85 sx down 5 1/2" csg.
4. Installed dry hole marker.

It is proposed to DO and CO to 3600', set 4 1/2" O.D. F.J.L w/ 1200 sx, perf Jalmat 2925' - 3410', acidize, frac, and return to production.

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Approved by:

Printed name: Steve Hartman

Title:

Title: Engineer

Approval Date:

Expiration Date:

E-mail Address: dhoo@swbell.net

Date: 04/11/2005

Phone: (432) 684-4011

Conditions of Approval Attached ☐

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-09480		Pool Code 79240	Pool Name Jalmat (T-Y-7R)
Property Code 33240	Property Name State "LMT"		Well Number 8
OGRID No. 6473	Operator Name Doyle Hartman		Elevation 3327' GR

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
D	36	23S	36E		660'	North	660'	West	Lea

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
Dedicated Acres 240		Joint or Infill Y		Consolidation Code		Order No. Administrative Order NSP-1517-A (SD), Approved 11/05/2004			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>PROPOSED JALMAT (Gas) Well State "LMT" No. 8 860' FNL & 660' FWL (D) Section 36, T-23-S, R-36-E</p>	<p>EXISTING JALMAT (Gas) Well State "LMT" No. 11 1150' FNL & 1780' FWL (B) Section 36, T-23-S, R-36-E</p>	<p>EXISTING JALMAT (Gas) Well State "LMT" No. 9 780' FNL & 1860' FWL (C) Section 36, T-23-S, R-36-E</p>	<p>EXISTING JALMAT (Gas) P.U. State "LMT" NW/4, W/2 NE/4 Sec. 36 T-23-S, R-36-E Lea County, NM (240 acres)</p>	<p>"OPERATOR CERTIFICATION" I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p></p> <p>Signature Steve Hartman Printed Name Engineer Title 04/11/2005 Date</p>
	<p>"SURVEYOR CERTIFICATION" 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 belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p> <p>Certificate Number</p>				

TRANSACTION REPORT

APR-12-2005 TUE 04:05 PM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
APR-12	04:03 PM	432 684 6976	2' 06"	8	RECEIVE	OK		