

MEMORANDUM

To: Operators and Interested Parties in the Jalmat Pool

From: Lori Wrotenbery
Director

Date: February 18, 2000

Re: **Jalmat Special Pool Rules**

On January 25, 2000, the Oil Conservation Division (Division) convened a meeting in Hobbs, New Mexico to discuss the Jalmat Special Pool Rules. On February 8, 2000, another meeting was held by the Division in Midland, Texas among interested parties to discuss these rules.

While there are pending before the Division specific cases that implicate these rules, no one has filed an application regarding changes to the rules. At this time there does not appear to be a need for the Division to conduct additional review of the rules for the continued development of this pool.

Consequently, the Division will not docket a case on the Jalmat Special Pool Rules in March 2000, as had been considered prior to the two recent meetings. However, any person who believes an amendment to the special pool rules is needed may file his application with the Division.

c: Chris Williams



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

NOTICE: Jalmat Operators

TO: All Operators in the Jalmat Pool

FROM: Michael E. Stogner, Chief Hearing Examiner/Engineer (NMOCD) *MS*

SUBJECT: (1) Approvals for Infill Gas Wells and
(2) Operators Meeting to Review the Rules Governing the Jalmat Pool.

DATE: January 11, 2000

The Division believes that recent issues in the Jalmat Pool warrant review of the rules and procedures governing this pool.

Since December 23, 1999, the Division has been holding and not approving applications for additional gas wells on a density of less than 160 acres pending a review of the special rules governing the Jalmat Pool.

An Operators' meeting is therefore scheduled for January 25, 2000 in Hobbs, New Mexico at the Division's District office located at 1625 N. French Drive. This meeting will start at 9:00 a.m. and is expected to conclude by 12:30 p.m. All participants are encouraged to discuss openly any problems, concerns, and issues affecting this pool. Further, proposed rule changes by all operators will be discussed and, if needed, a committee will be formed to entertain such changes and prepare a formal presentation to be considered for adoption.

A Division Examiner's Hearing is scheduled on March 2, 2000 for the Operators group to report and make recommendations of possible rule changes.

It is important that all operators in the Jalmat Pool participate so that a full and comprehensive discussion is held identifying all pertinent issues affecting further development of this pool.



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January 5, 2000

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Attorneys for SDX Resources, Inc.

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Attorneys for Doyle Hartman, Oil Operator

William F. Carr, Esq.
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P.O. Box 2208
Santa Fe, NM 87504-2208

Attorneys for Raptor Resources, Inc.

RE: Clarification of December 22, 1999 letter from Rand Carroll

Gentlemen:

Paragraph (i) of the above-referenced letter refers to Division actions regarding SDX and Raptor wells. This letter clarifies which wells and/or applications are affected by that letter and what actions will be taken by the Division.

Cases No. 12301, 12302, 12303 and 12304 will be continued to the March 16, 2000 docket, the docket after the docket at which the Division's application to review the Jalmat Special Pool Rules will be heard.

Hartman's objections/protests to Orders No. SD 99-14 and SD 99-15 will be set for hearing as an application of Hartman for rescission of those orders. This application will also be set for hearing on March 16, 2000.

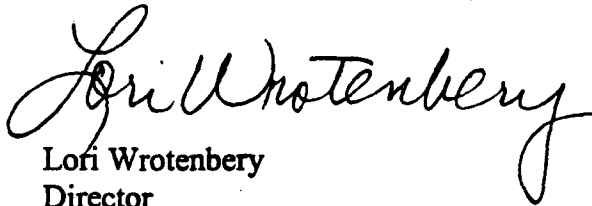
The NSL orders issued to Raptor in which notice should have been given to Hartman as an offset operator but was not are reopened pursuant to Rule 1207.D. and will also be set for hearing on March 16, 2000. Such NSL orders include Orders No. NSL 2872-C(SD), NSL 2723-D(SD), NSL 2723-E and NSL 2816-C(SD). Hartman must notify the Division of any additional NSL applications in this category.

No wells other than the wells that are the subject of the above-referenced cases and orders are affected by the December 22, 1999 letter.

Approvals for all Jalmat infill wells on a density of less than 160 acres per well have been held since December 23, 1999 and will continue to be held pending the March 2, 2000 hearing.

The Division trusts that the parties will actively participate at the Jalmat Pool operators meeting on January 25, 2000 at the OCD District Office in Hobbs and that an agreeable solution can be worked out regarding further development of the Jalmat Pool.

Sincerely,



Lori Wrotenbery
Director

c: Don Kane, Esq., Gorsuch & Kirgis LLP
Rand Carroll, OCD Legal Counsel
Michael E. Stogner, OCD Hearing Examiner
David Catanach, OCD Hearing Examiner
Mark Ashley, OCD Hearing Examiner
Chris Williams, OCD Hobbs District Supervisor



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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2040 South Pacheco Street
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December 22, 1999

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Attorneys for Raptor Resources, Inc.

RE: Cases No. 12301 and 12302 ---Applications of SDX Resources, Inc. for
unorthodox infill gas well locations in the Jalmat Gas Pool
Cases No. 12303 and 12304---Applications of Raptor Resources, Inc. for
unorthodox infill gas well locations in the Jalmat Gas Pool

Gentlemen:

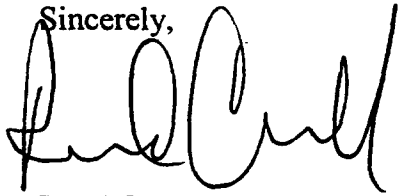
At the prehearing conference held on Tuesday, December 21, the Division took the following actions:

- (i) the APDs and other approvals for the SDX and Raptor wells complained of by Hartman were rescinded with the applications to be stayed pending the March 2, 2000, hearing on the Jalmat Special Pool Rules;
- (ii) a new case will be docketed by the Division for March 2, 2000, to review the Jalmat Special Pool Rules;

- (iii) a Jalmat Pool operators meeting will be held on Tuesday, January 25 at the OCD Hobbs District Office to review the Jalmat Special Pool Rules with SDX, Raptor and Hartman to attend, with the possibility of a second operators meeting to be held prior to the March 2, 2000, hearing;
- (iv) a notice will be issued to all Jalmat Pool operators placing a moratorium on all new Jalmat infill wells on a greater density than 160 acres pending the March 2 hearing; and
- (v) the above-referenced applications as well as the Motions to Quash will be stayed pending the March 2 hearing.

If you have any questions, please feel free to call me at 827-8156. I will be out of the office until January 4, 2000.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand Carroll", written over a horizontal line.

Rand Carroll

c: Lori Wrotenbery, OCD Director
Michael E. Stogner, OCD Hearing Examiner
David Catanach, OCD Hearing Examiner
Mark Ashley, OCD Hearing Examiner
Chris Williams, OCD Hobbs District Supervisor

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/24/00 09:31:12
OGOMES -TQDI
PAGE NO: 1

Sec : 05 Twp : 22S Rng : 36E Section Type : NORMAL

4 40.30 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	3 40.20 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	2 40.12 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38 A	1 40.02 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38
E 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	F 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	G 40.00 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38 A	H 40.00 CS B01506 0000 ATLANTIC RICHFIEL 12/01/38

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

NSP-1035.0
NSP-152.1st

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/24/00 09:31:18
OGOMES -TQDI
PAGE NO: 2

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M 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	N 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	O 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A	P 40.00 CS A00983 0004 ORYX ENERGY CO 07/27/38 A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD : ONGARD 02/24/00 09:31:33
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQDI

API Well No : 30 25 8790 Eff Date : 04-01-1999 WC Status : A
Pool Idn : 24130 EUNICE;SEVEN RIVERS-QUEEN, SOUTH
OGRID Idn : 162791 RAPTOR RESOURCES INC
Prop Idn : 24670 STATE 157 G

Well No : 004
GL Elevation: 3610

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn	: 2	5	22S	36E	FTG 990 F N	FTG 1980 F E	A
Lot Identifier:							
Dedicated Acre:	40.00						
Lease Type	: S						
Type of consolidation	(Comm, Unit, Forced Pooling - C/U/F/O) :						

M0025: Enter PF keys to scroll

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PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 02/24/00 09:31:46
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQDI

API Well No : 30 25 8787 Eff Date : 04-01-1999 WC Status : A
Pool Idn : 24130 EUNICE;SEVEN RIVERS-QUEEN, SOUTH
OGRID Idn : 162791 RAPTOR RESOURCES INC
Prop Idn : 24670 STATE 157 G

Well No : 002
GL Elevation: 3598

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
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B.H. Locn : G	5	22S	36E	FTG 1980 F N	FTG 1980 F E		A

Lot Identifier:
Dedicated Acre: 40.00
Lease Type : S
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

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NEW MEXICO NM

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