

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

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

CASE NO. 9775
ORDER NO. R-9073

APPLICATION OF HAL J. RASMUSSEN
OPERATING INC. FOR NON-STANDARD
GAS PRORATION UNITS, UNORTHODOX
GAS WELL LOCATIONS, SIMULTANEOUS
DEDICATION AND SPECIAL GAS METERING
PROVISIONS, LEA COUNTY, NEW MEXICO

See Also Order No.

R-9073-A

R-9073-B

R-9073-C

R-9073-C-1

R-9073-D

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of December, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) At the time of the hearing this case was consolidated with Division Case Nos. 9774 and 9776 for the purpose of testimony.
- (3) The applicant in this matter, Hal J. Rasmussen Operating Inc., is the operator of its State "A" Lease Accounts 1 and 2 (State of New Mexico Oil and Gas Lease No. A-983) and State "A" Lease Account 3 (State of New Mexico Oil and Gas Lease No. B-1484) covering mineral rights under certain lands in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico.
- (4) The interests under both of said state leases are individually common throughout.
- (5) The Jalmat Gas Pool covers the acreage which is the subject of this

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Order No. R-9073
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application and is governed by Special Rules and Regulations, as promulgated by Division Order No. R-8170, as amended, which provide for 640-acre spacing and designated well locations.

(6) Applicant now seeks to redesignate the existing gas spacing and proration units in the Jalmat Gas Pool on their acreage by the formation of 16 non-standard gas proration units and one standard 640-acre gas proration unit in the Jalmat Gas Pool as further described in Exhibit "A" attached hereto and made a part hereof.

(7) The applicant also seeks approval of all unorthodox gas well locations for the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A."

(8) The applicant further seeks special metering provisions for Jalmat gas production whereby the operator would meter the total gas production from each of the 17 aforementioned units and allocate this production back to each well on its respective unit by means of a periodic testing of the wells thereon.

(9) The applicant has recently assumed gas purchaser/transporter responsibility for the acreage which is the subject of this order and by this application seeks to reduce production and transportation costs in the area and to more efficiently operate its properties by consolidating production facilities and eliminating unnecessary equipment.

(10) Each of the aforementioned units may reasonably be presumed productive of gas from the Jalmat Gas Pool and each of the non-standard gas proration units can be efficiently and economically drained and developed by the aforementioned wells.

(11) The applicant further testified that approval of the subject application will lower costs and permit the production of gas reserves within the Jalmat Gas Pool underlying this area which would otherwise not be recovered thereby preventing waste.

(12) Doyle Hartman, an operator in the Jalmat Gas Pool, appeared and objected to this application; however, there were no offsetting operators objecting to this application.

(13) The operator of each of the aforementioned Jalmat gas spacing and proration units should allocate the production to each well on its respective proration unit on the basis of well tests. The applicant proposed that this testing procedure will provide that one of the wells on the proration unit will be flowing through the testing meter for a 48-hour period with each well being tested in turn throughout the month. The remaining wells on the proration unit will be flowing through a field production meter. The daily amount of gas credited to the wells on the unit would be the total production

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through the test meter and through the field meter. The production from individual proration units will be allocated back to each of the wells on that unit based upon the data derived from the periodic testing through the test meter.

(14) The applicant should file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other report or form required to be filed as operator of the proration unit and as transporter for the wells involved herein.

(15) The Division should be empowered to administratively rescind any portion of this order or require that a particular well or wells be metered individually if it should appear that such action would prevent waste and protect correlative rights.

(16) The area of the Hal J. Rasmussen Operating, Inc. State "A" Account 1, 2 and 3 Leases has been the subject of numerous orders establishing and re-aligning non-standard and standard Jalmat Gas Pool gas proration and spacing units as well as simultaneously dedicating a variety of wells at orthodox and unorthodox locations thereto. On Exhibit "B", attached hereto and made a part hereof, is a listing of all Division Orders known to have been issued relative to the property which is the subject of this hearing. These orders should be superceded to the extent that they are inconsistent with any provision of this order.

(17) Should it be found that any additional orders exist that are contradictory to any such order issued in this case, then such order should be superceded in a like manner as described above.

(18) 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 should otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Hal J. Rasmussen Operating, Inc. to redesignate acreage in certain existing gas spacing and proration units in the Jalmat Gas Pool in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico, resulting in the formation of a standard 640-acre gas spacing and proration unit and 16 non-standard gas units, as further described in Exhibit "A", attached hereto and made a part hereof, is hereby approved.

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IT IS FURTHER ORDERED THAT:

(2) The unorthodox gas well locations for all of the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units, also described in said Exhibit "A", is also approved.

FURTHERMORE, IT IS ORDERED THAT:

(3) Special metering provisions for Jalmat gas production within each of the aforementioned units, as described in Finding Paragraph No. (13) above, is hereby approved.

(4) The applicant shall file with the Division OCD Form C-111 and comply with General Rule 1111 in addition to any other reports or forms required to be filed as operator of each proration unit and as transporter for the wells involved herein.

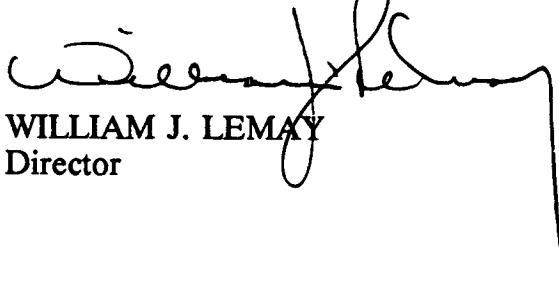
(5) The Division may administratively rescind any portion of this order or require a particular well or wells be metered individually if it should appear necessary to prevent waste and protect correlative rights.

(6) All known and subsequent Division Orders issued relative to any property which is the subject of this hearing (see Exhibit "B" attached hereto and made a part hereof) shall be superceded to the extent that they are inconsistent with any provision of this order.

(7) 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



WILLIAM J. LEMAY
Director

S E A L

EXHIBIT "A"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

PROPOSED NON-STANDARD JALMAT GAS PRORATION UNITS AND
JALMAT GAS WELL LOCATIONS

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM

- 1) Section 5: Lots 3 and 4, S/2 NW/4, and S/2 comprising 480.50 acres, more or less, in State "A" A/C-2.

Well No. 44	1980' FN & WL	Unit F	NSL
Well No. 41	660' FS & WL	Unit M	NSL
Well No. 27	660' FS & EL	Unit P	NSL

- 2) Section 7: Lots 3 and 4, N/2 NE/4, SE/4 NE/4, E/2 SW/4, N/2 SE/4, and SE/4 SE/4 comprising 393.06 acres, more or less, in State "A" A/C-2.

Well No. 5	660' FN & EL	Unit A	NSL
Well No. 12	1980' FSL & 660' FEL	Unit I	NSL
Well No. 8	660' FS & EL	Unit P	NSL

- 3) Section 8: All (*Standard 640-acre unit*) in State "A" A/C-2.

Well No. 49	660' FNL & 1980' FWL	Unit C	NSL
Well No. 43	1650' FNL & 990' FEL	Unit H	NSL
Well No. 56	1980' FS & EL	Unit J	Standard Location

- 4) Section 9: N/2 and SW/4 comprising 480 acres in State "A" A/C-2.

Well No. 40	990' FN & EL	Unit A	Standard Location
Well No. 63	990' FNL & 2310' FWL	Unit C	Standard Location
Well No. 38	1980' FS & WL	Unit K	NSL

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

- 5) Section 3: S/2 comprising 320 acres in State "A" A/C-1.

Well No. 30	1650' FSL & 990' FEL	Unit I	NSL
Well No. 35	1650' FSL & 990' FWL	Unit L	NSL

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Order No. R-9073
Page No. 6

- 6) Section 4: Lots 1, 2, 3 and 4, and S/2 N/2 comprising 327.25 acres, more or less, in State "A" A/C-1.

Well No. 23	660' FNL & 2310' FEL	Unit B	Standard Location
Well No. 15	1980' FN & WL	Unit F	Standard Location
Well No. 87	1980' FN & EL	Unit G	Standard Location

- 7) Section 4: SW/4 and Section 9: N/2 NW/4, SW/4 NW/4, and SW/4 comprising 440 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

(Section 9)

Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL

- 8) Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4 and Section 10: W/2 comprising 480 acres in State "A" A/C-1.

(Section 10)

Well No. 37	1650' FN & WL	Unit F	Standard Location
Well No. 38	990' FS & WL	Unit M	Standard Location

- 9) Section 10: E/2 comprising 320 acres in State "A" A/C-3.

Well No. 1	990' FN & EL	Unit A	Standard Location
Well No. 2	1650' FSL & 990' FEL	Unit I	Standard Location

- 10) Section 11: N/2 and SW/4 comprising 480 acres in State "A" A/C-1.

Well No. 16	660' FN & EL	Unit A	NSL
Well No. 29	990' FNL & 1650' FWL	Unit C	Standard Location
Well No. 34	1650' FS & WL	Unit K	Standard Location

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- 11) Section 13: N/2 and SW/4 and Section 14: NE/4 comprising 640 acres in State "A" A/C-1.

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL

- 12) Section 14: NW/4 and Section 15: N/2 comprising 480 acres in State "A" A/C-1.

(Section 14)

Well No. 28	1650' FN & WL	Unit F	Standard Location
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(Section 15)

Well No. 33	1650' FN & WL	Unit F	Standard Location
Well No. 31	1650' FN & 990' FEL	Unit H	Standard Location

- 13) Section 17: SE/4, Section 20: NE/4, and Section 21: N/2 NW/4 and SW/4 NW/4 comprising 440 acres in State "A" A/C-1.

(Section 17)

Well No. 39	1980' FS & EL	Unit J	NSL
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(Section 20)

Well No. 5 (Currently P & A'd)	1320' FNL & 660' FEL	Units A/H	NSL
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(Section 21)

Well No. 4	330' FNL & 1660' FWL	Unit C	NSL
Well No. 3	1650' FNL & 330' FWL	Unit E	NSL

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- 14) Section 20: SE/4 and Section 21: NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 comprising 320 acres in State "A" A/C-2.

(Section 21)

Well No. 8	660' FSL & 1980' FEL	Unit O	NSL
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- 15) Section 22: NE/4 NW/4, S/2 NW/4, and SW/4 comprising 280 acres in State "A" A/C-1.

Well No. 94	660' FNL & 1980' FWL	Unit C	NSL
Well No. 19	1650' FNL & 330' FWL	Unit E	NSL
Well No. 97	1980' FN & WL	Unit F	Standard Location
Well No. 1	330' FSL & 2310' FWL	Unit N	NSL

- 16) Section 23: N/2 comprising 320 acres in State "A" A/C-1.

Well No. 27	1650' FN & WL	Unit F	Standard Location
Well No. 26	1650' FN & EL	Unit G	Standard Location
Well No. 105	2080' FNL & 660' FEL	Unit H	NSL

- 17) Section 24: W/2 and SE/4 comprising 480 acres in State "A" A/C-1.

Well No. 53	1980' FNL & 660' FWL	Unit E	NSL
Well No. 25	1650' FN & WL	Unit F	Standard Location
Well No. 32	1650' FS & EL	Unit J	Standard Location
Well No. 24	990' FSL & 1650' FWL	Unit N	Standard Location

EXHIBIT "B"
CASE NO. 9775
ORDER NO. R-9073
HAL J. RASMUSSEN OPERATING, INC.

DIVISION ORDERS ISSUED RELATIVE TO THE PROPERTY
WHICH IS THE SUBJECT OF THIS HEARING.

Division Orders issued
prior to hearing

R-634
R-1364
R-2504
R-3188
R-3209
R-3264
R-3892
R-3893
R-4116
R-4361, as amended
R-4484

Division Administrative
Orders

NSP-406
NSP-518
NSP-614
NSP-615
NSP-1044
NSP-1108
NSL-1219

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

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

CASE NO. 9874
ORDER NO. R-9073-A

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. FOR TWO UNORTHODOX
GAS WELL LOCATIONS AND SIMULTANEOUS
DEDICATION, AND TO AMEND, IN PART,
DIVISION ORDER NO. R-9073 AND
ADMINISTRATIVE ORDER NSL-2728,
LEA COUNTY, NEW MEXICO

See Also Order Nos.

R-9073

R-9073-B

R-9073-C

R-9073-C-1

R-9073-D

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of February, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) By Division Administrative Order NSL-2728, dated December 7, 1989, an unorthodox gas well location was approved for Hal J. Rasmussen Operating Inc.'s State "A" A/C-1 Well No. 71 to be drilled 660 feet from the South and West lines (Unit M) of Section 13, Township 23 South, Range 36 East, Jalmat Gas Pool, NMPM, Lea County, New Mexico. Said order also authorized the simultaneous dedication of Jalmat Gas production from the State "A" A/C-1 Well Nos. 20, 21, 22 and 71, located in Units C, H, N and M of said Section 13, respectively, to the then 480-acre non-standard gas spacing and proration unit (GPU) comprising the N/2 and SW/4 of said Section 13.

Case No. 9874
Order No. R-9073-A
Page No. 2

(3) By Division Order No. R-9073, dated December 14, 1989 (Paragraph No. 11 of Exhibit "A"), a 640-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool was established comprising the N/2 and SW/4 of Section 13 and the NE/4 of Section 14, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, said unit to be simultaneously dedicated to the State "A" A/C-1 Well Nos. 20, 21 and 22 located in Units C, H and N, respectively, of said Section 13 and Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14.

(4) At this time the applicant, Hal J. Rasmussen Operating Inc., seeks approval to recomplete the following two wells from the Langlie-Mattix Pool to the Jalmat Gas Pool, both wells are located at unorthodox gas well locations for said Jalmat Gas Pool within the previously approved 640-acre non-standard gas spacing and proration unit, as described above:

State "A" A/C-1 Well No. 66
660 feet from the North and West lines
(Unit D); and

State "A" A/C-1 Well No. 75
1980 feet from the North and West lines
(Unit F), both located in said Section 13.

(5) Applicant also seeks to amend Division Administrative Order NSL-2728 to reflect the proper dedicated acreage for the State "A" A/C-1 Well No. 71, located at an unorthodox Jalmat gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" A/C-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, N, D, M and F, respectively, in Section 13 and Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14.

(6) Both the State "A" A/C-1 Well Nos. 66 and 75 were originally drilled and completed in the last four months of 1959 as Langlie-Mattix Seven Rivers Queen Grayburg San Andres oil producers both at standard oil well locations.

(7) Since both wells have depleted the Langlie-Mattix reserves underlying each respective drill tract, the applicant proposes to recomplete both wells in the Jalmat Gas Pool in order to help drain the remaining gas reserves underlying the above-described 640-acre non-standard gas proration unit.

(8) No offset operators or interested parties appeared at the hearing in opposition to this matter.

Case No. 9874
Order No. R-9073-A
Page No. 3

(9) Approval of the proposed recompletions, unorthodox gas well locations and simultaneous dedication will afford the applicant 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.

(10) To reduce the number of orders applicable in this proration unit, existing approvals should be consolidated with this application in order to lessen confusion; therefore, Division Administrative Order NSL-2728 should be superceded by this order and Paragraph No. (11) in Exhibit "A" attached to Order No. R-9073 should be amended to include the State "A" A/C-1 Well Nos. 66, 71 and 75.

IT IS THEREFORE ORDERED THAT:

(1) Division Administrative Order NSL-2728, dated December 7, 1989 is hereby superceded until further notice.

(2) Paragraph No. (11) of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same, is hereby amended to read in its entirety as follows:

"(11) Section 13: N/2 and SW/4 of Section 14: NE/4 comprising 640 acres in State "A" A/C-1.

(Section 13)

Well No. 20	660' FNL & 1980' FWL	Unit C	NSL
Well No. 21	1980' FNL & 660' FEL	Unit H	NSL
Well No. 22	660' FSL & 1980' FWL	Unit N	NSL
Well No. 66	660' FN & WL	Unit D	NSL
Well No. 71	660' FS & WL	Unit M	NSL
Well No. 75	1980' FN & WL	Unit F	NSL

(Section 14)

Well No. 77	660' FNL & 1980' FEL	Unit B	NSL
Well No. 13	1980' FNL & 660' FEL	Unit H	NSL"

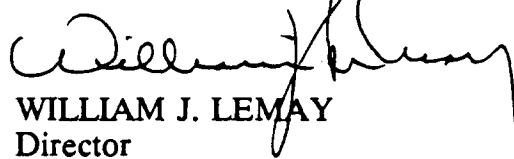
(3) All other provisions of said Order No. R-9073 shall remain in full force and effect until further notice.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 9874
Order No. R-9073-A
Page No. 4

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L

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

CASE NO. 9775
ORDER NO. R-9073-B

APPLICATION OF HAL J. RASMUSSEN OPERATING,
INC. FOR NON-STANDARD GAS PRORATION UNITS,
UNORTHODOX GAS WELL LOCATIONS, SIMULTANEOUS
DEDICATION AND SPECIAL GAS METERING PROVISIONS,
LEA COUNTY, NEW MEXICO

*See Also Order
No.*

R-9073

R-9073-A

R-9073-C

R-9073-C-1

R-9073-D

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-9073 dated December 14, 1989, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Paragraph No. (8) of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same is hereby amended to read in its entirety as follows:

"(8) Section 9: S/2 NE/4, N/2 SE/4, and SE/4 SE/4 and
Section 10: W/2 comprising 520 acres in State "A"
A/C-1.

(Section 10)

Well No. 37 1650' FN & WL	Unit F	Standard Location
Well No. 38 990' FS & WL	Unit M	Standard Location"

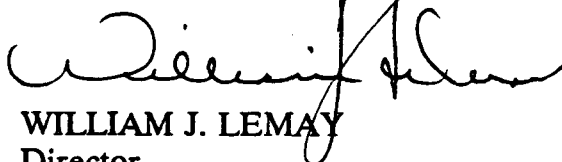
(2) All other provisions of said Order No. R-9073 and Division Order No. R-9073-A, dated February 28, 1990, which amended Paragraph No. (11) of said Exhibit "A", shall remain in full force and effect until further notice.

(3) The corrections set forth in this order be entered nunc pro tunc as of December 14, 1989.

Case No. 9775
Order No. R-9073-B
Page No. 2

DONE at Santa Fe, New Mexico, on this 27th day of September, 1990.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

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

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

CASE NO. 10151
ORDER NO. R-9073-C

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. TO AMEND, IN PART,
DIVISION ORDER NO. R-9073, LEA
COUNTY, NEW MEXICO

See Also R-9073
R-9073-A
R-9073-B
R-9073-C-1
R-9073-D

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 14, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of November, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) By Division Order No. R-9073, dated December 14, 1989 (Paragraph No. 7 of Exhibit "A"), a 440-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool was established comprising the SW/4 of Section 4 and the N/2 NW/4, SW/4 NW/4, and SW/4 of Section 9, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit was to be simultaneously dedicated to the State "A" A/C-1 Well Nos. 18 and 111 located in Units M and N, respectively, of said Section 4 and Well Nos. 14, 104, 10, and 9 located in Units E, K, L and M, respectively, of said Section 9.
- (3) At this time the applicant, Hal J. Rasmussen Operating, Inc., seeks approval to delete 40 acres, comprising the SE/4 SW/4 (Unit N) of said Section 9 from the above-described 440-acre non-standard gas spacing and proration unit.

(4) The acreage to be deleted is to be dedicated to the applicant's State "A" A/C-1 Well No. 123 to be drilled 990 feet from the South line and 2250 feet from the West line (Unit N) of said Section 9 as an oil well in the Seven Rivers zone of the Jalmat Pool.

(5) This amendment is necessary for the applicant to comply with Rule 2(a) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, which states in part that "a standard oil proration unit in the Jalmat Gas Pool shall be 40 acres" and that "acreage dedicated to a gas well in the Jalmat Gas Pool shall not be simultaneously dedicated to an oil well in the Jalmat Gas Pool."

(6) Applicant has provided sufficient notice to all offset operators pursuant to Division General Rule 1207.

(7) No offset operators or interested parties appeared at the hearing in opposition to this matter.

(8) Approval of the proposed amendment to said Order No. R-9073 will afford the applicant the right to produce its just and equitable share of the oil and gas in the subject pool, is in the best interests of conservation and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Paragraph No. 7 of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same is hereby amended to read in its entirety as follows:

"7) Section 4: SW/4 and Section 9: N/2 SW/4, SW/4 NW/4 and N/2 SW/4 and SW/4 SW/4 comprising 400 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

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(Section 9)

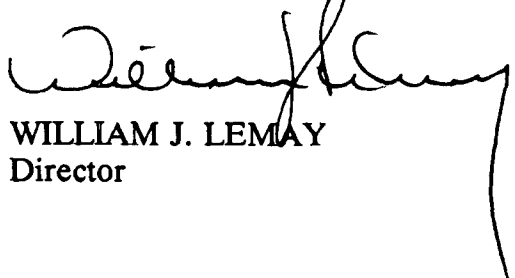
Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL"

(2) All other provisions of said Order No. R-9073 shall remain in full force and effect until further notice.

(3) 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


WILLIAM J. LEMAY
Director

S E A L

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

CASE NO. 10151
ORDER NO. R-9073-C-1

APPLICATION OF HAL J. RASMUSSEN
OPERATING, INC. TO AMEND, IN PART,
DIVISION ORDER NO. R-9073, LEA COUNTY,
NEW MEXICO

See Also R-9073
R-9073-A
R-9073-B
R-9073-C
R-9073-D

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-9073-C dated November 27, 1990, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (1) of Division Order No. R-9073-C, dated November 27, 1990, be and the same is hereby amended to read in its entirety as follows:

"(1) Paragraph No. 7 of Exhibit "A" of Division Order No. R-9073, dated December 14, 1989, be and the same is hereby amended to read in its entirety as follows:

- 7) Section 4: SW/4 and Section 9: N/2 NW/4, SW/4 NW/4 and N/2 SW/4 and SW/4 SW/4 comprising 400 acres in State "A" A/C-1.

(Section 4)

Well No. 18	660' FS & WL	Unit M	NSL
Well No. 111	467' FSL & 2173' FWL	Unit N	NSL

(Section 9)

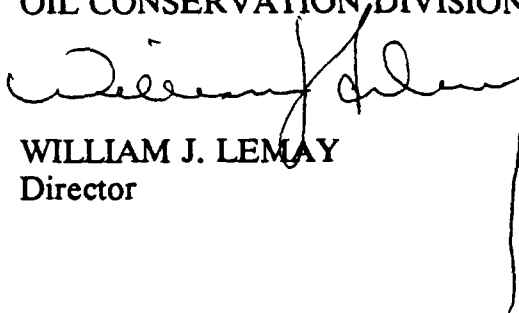
Well No. 14	1980' FNL & 660' FWL	Unit E	NSL
Well No. 104	1650' FSL & 1980' FWL	Unit K	NSL
Well No. 10	1980' FSL & 660' FWL	Unit L	NSL
Well No. 9	660' FS & WL	Unit M	NSL"

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(2) The corrections set forth in this order be entered nunc pro tunc as of November 27, 1990.

DONE at Santa Fe, New Mexico, on this 23rd day of January, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

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

See Also Orders No.

R-9073

R-9073-A

R-9073-B

R-9073-C

R-9073-D-1

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

CASE NO. 12360
ORDER NO. R-9073-D

APPLICATION OF DOYLE HARTMAN, OIL OPERATOR FOR RESCISSION
AND RECONSIDERATION OF PORTIONS OF DIVISION ORDER NO. R-9073,
AS AMENDED, AFFECTING LANDS IN TOWNSHIPS 22 AND 23 SOUTH,
RANGE 36 EAST, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 4, 2000, at Santa Fe, New Mexico before Examiner David R. Catanach.

NOW, on this *30th* day of May, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) By Order No. R-9073, as amended, issued in Case No. 9775 on December 14, 1989, the Division approved, upon application of Hal J. Rasmussen Operating Inc. ("Rasmussen"):

- (a) the redesignation of acreage in certain existing gas spacing and proration units in the Jalmat Gas Pool in Townships 22 and 23 South, Range 36 East, NMPM, Lea County, New Mexico, thereby forming one standard 640-acre gas proration unit and sixteen non-standard gas proration units;
- (b) the location of any existing Jalmat gas well within the subject area that became unorthodox as a result of the acreage rededication;

- (c) the simultaneous dedication of the existing Jalmat wells on each of the redesignated gas proration units; and
- (d) a special gas metering provision whereby the total gas production from each of the 17 gas proration units shall be metered, and this production allocated back to each well by means of a 48-hour monthly well test.

(3) The applicant, Doyle Hartman, Oil Operator ("Hartman"), seeks there consideration and rescission of certain special gas metering provisions set forth in Order No. R-9073, as amended.

(4) Hartman is the operator of leases that offset certain non-standard gas proration units approved by Order No. R-9073, as amended.

(5) Raptor Resources, Inc. ("Raptor") is the successor operator of Rassmussen's Jalmat gas proration units.

(6) Both Raptor and Hartman appeared at the hearing through legal counsel.

(7) Raptor and Hartman presented the parties' stipulation, Exhibit No. 1.

(8) Adoption of the stipulated agreement, Exhibit 1, and proposed amendment of Division Order No. R-9073, as amended, is in the best interest of conservation and protection of correlative rights and should therefore be approved.

IT IS THEREFORE ORDERED THAT:

(1) The application of Doyle Hartman, Oil Operator, for reconsideration and rescission of certain special gas metering provisions set forth in Order No. R-9073, as amended, is hereby approved.

(2) Ordering Paragraph (3) of Division Order No. R-9073, as amended, is hereby amended to read in its entirety as follows:

(3) Special metering provisions for Jalmat gas production within each of the aforementioned units, as described in Finding Paragraph No. (13) above, is hereby approved provided that such approval is not

inconsistent with the following agreement between Doyle Hartman, Oil Operator, and Raptor Resources, Inc.:

The operator of certain Jalmat Pool gas wells, presently Raptor Resources, Inc., shall comply with NMOCD Rule 403.A by proceeding with due diligence to separately meter the below described seven (7) wells and any future wells drilled or recompleted on the following properties:

S/2 of Section 8 and the SW/4 of Section 9 in T-22-S, R-36-E (encompassing Well Nos. 54, 24 and 4)

SE/4 of Section 3, the NE/4 of Section 10 and the N/2 of Section 11 in T-23-S, R-36-E (encompassing Well No. 58). Raptor is not required to meter Well No. 64 in Section 3 since it is a marginal well nor is Raptor required to meter Well No. 81 in Section 10 since it is outside of the NE/4 and is a marginal well.

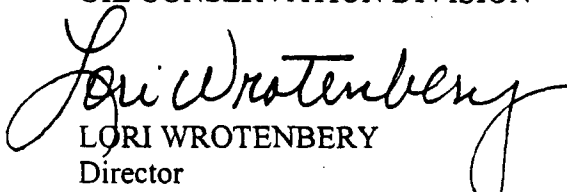
SW/4 of Section 14, the S/2 of Section 15, the W/2 of Section 22 and the NW/4 of Section 23 in T-23-S, R-36-E (encompassing the Matkins No. 3, the Matkins No. 6, and Well No. 72).

(3) All other provisions contained within Order No. R-9073, as amended, shall remain in full force and effect.

(4) Jurisdiction is hereby 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


LORI WROTENBERY
Director

SEAL



NSL-2873-B(90)

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 1, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Petrohawk Operating Company
c/o **Holland & Hart LLP**
Attention: **Ms. Ocean Munds-Dry**
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Administrative Order NSL-2873-C (SD)

(Administrative Reinstatement in Part of Division Administrative Order NSL-2873-A)

Dear Ms. Munds-Dry:

Reference is made to the following: (i) your application on behalf of the operator, Petrohawk Operating Company ("Petrohawk") filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 23, 2006 (**administrative application reference No. pTDS0-618440964**); (ii) your e-mail to Mr. Michael E. Stogner, Staff Engineer with the Division in Santa Fe, on Wednesday afternoon, July 26, 2006 checking on the status of this, and other Petrohawk applications; (iii) Mr. Stogner's e-mail on Thursday, July 27, 2006 with a question about your application; (iv) your reply by e-mail on Monday, July 31, 2006 with the necessary information to complete this application; and (v) the Division's records in Santa Fe, including the files in Division Case No. 9775 and on Division Administrative Orders NSL-2873, NSL-2873-A, and NSL-2873-B (SD): all concerning Petrohawk's request to reinstate the provisions of Division Administrative Order NSL-2873-A for the State "A" A/C-3 Well No. 6 (**API No. 30-025-09302**) as an unorthodox Jalmat infill gas well location under Rule 3 (A) (2) 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, within a non-standard 320-acre gas spacing unit comprising the E/2 of Section 10, Township 23 South, Range 36 East, NMPM, Jalmat Gas Pool (**79240**), Lea County, New Mexico.

Your application for Petrohawk has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*."

This 320-acre Jalmat gas spacing unit was initially established by Division Order No. R-9073, dated December 14, 1989 [see Ordering Paragraph No. (9) of Exhibit "A"] and had dedicated thereon the following two wells:

- (1) State "A" A/C-3 Com. "A" Well No. 1 (**API No. 30-025-09299**), located at a standard gas well location 990 feet from the North and East lines (Unit A) of Section 10; and

- (2) State "A" A/C-3 Com. "A" Well No. 2 (**API No. 30-025-09289**), located at a standard gas well location 1650 feet from the South line and 990 feet from the East line (Unit I) of Section 10.

By Division Administrative Order NSL-2873, dated September 25, 1990, another well for this unit, the State "A" A/C-3 Com. "A" Well No. 8 (**API No. 30-025-20245**), located at a location considered to be unorthodox at the time but is now considered "standard" under the current rules and regulations governing the Jalmat Gas Pool, 660 feet from the South and East lines (Unit P) of Section 10 was approved.

By Administrative Order NSL-2873-A, dated January 18, 1991, the Division authorized the following three described wells to included within this 320-acre unit all located at unorthodox infill Jalmat gas well locations:

- (1) State "A" A/C-3 Com. "A" Well No. 4 (**API No. 30-025-09300**), located 660 feet from the North line and 2310 feet from the East line (Unit B) of Section 10;
- (2) State "A" A/C-3 Com. "A" Well No. 5 (**API No. 30-025-09303**), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 10; and
- (3) the subject State "A" A/C-3 Well No. 6, located 1980 feet from the South line and 2310 feet from the East line (Unit J) of Section 10, was plugged and abandoned in 1994 and was to be re-entered and recompleted as a Jalmat infill gas well.

The Division's most recent action within this 320-acre unit was by Administrative Order NSL-2873-B (SD), dated July 24, 2000, which: (i) authorized the State "A" A/C-3 Well No. 14 (**API No. 30-025-34682**), located in the SW/4 SE/4 (Unit O) of Section 10 at a location considered to be unorthodox at the time but is now considered "standard" under the current rules and regulations governing the Jalmat Gas Pool, 660 feet from the South line and 1980 feet from the East line (Unit O) of Section to be included within this unit; and (ii) the omission from this unit of the subject State "A" A/C-3 Well No. 6 as being inactive since the planned reentry and recompletion had not been performed.

At this time Petrohawk intends to re-enter the State "A" A/C-3 Well No. 6 and attempt a recompletion in the Jalmat interval as a gas well.

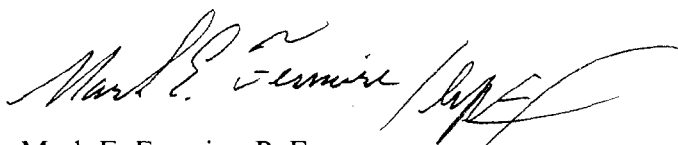
By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool, the provisions Division Administrative Order NSL-2873-A is hereby reinstated as to the above-described unorthodox Jalmat infill gas well location for the re-entry by Petrohawk into the State "A" A/C-3 Well No. 6.

Further, Petrohawk is authorized to simultaneously dedicate Jalmat gas production from the seven above-described State "A" A/C-3 Wells No. 6 and 14 and State "A" A/C-3 Com. "A" Wells No. 1, 2, 4, 5, and 8.

All provisions applicable to the existing 320-acre non-standard Jalmat gas spacing unit in Ordering Paragraph No. (9) of Exhibit "A" in Division Order No. R-9073 and in Division Administrative Orders NSL-2873, NSL-2873-A, and NSL-2873-B (SD) not in conflict with this order shall remain in full force and affect 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

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: Division Case No. 9775
Division Administrative Order NSL-2873
Division Administrative Order NSL-2873-A
Division Administrative Order NSL-2873-B (SD)
