

June 25, 1996

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

Attention: Doyle Hartman

Roca Production, Inc. P. O. Box 10139 Midland, Texas 79702

Attention: James C. Brown

RE: Jalmat Gas Pool Development in the N/2 equivalent of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

Dear Messrs. Hartman and Brown:

I am in receipt of an application from Doyle Hartman, Oil Operator, dated June 20, 1996, see copy attached, requesting: (a) the formation of a non-standard 235.98-acre gas spacing and proration unit ("GPU") to comprise Lots 1 and 2, the W/2 NE/4, and the E/2 NW/4 of Section 31, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico; (b) approval to drill its R. W. Cowden "C" Well No. 10 at an unorthodox Jalmat gas well location 1650 feet from the North line and 330 feet from the West line (Lot 2/Unit E) of said Section 31; and, (c) the simultaneous dedication of said 235.98-acre GPU to the existing R.W. Cowden "C" Well No. 10.

I have also included a copy of Division Administrative Orders NSP-143 and NFL-71, which are the current orders in effect for the N/2 equivalent of said Section 31:

- NSP-143, dated June 8, 1955, approved the 315.98-acre GPU comprising the N/2 equivalent of said Section 31 and had dedicated thereon the Doyle Hartman R. W. Cowden "C" Well No. 4/OXY USA, Inc. Myers Langlie Mattix Unit Well No. 61 (API No. 30-025-10903), located at a standard gas well location for the 315.98-acre GPU 990 feet from the North line and 1980 feet from the West line (Unit C) of said Section 31; and,

- NFL-71, dated February 22, 1983, authorized/acknowledged the infill drilling and simultaneous dedication of the N/2 equivalent of said Section 31 to the R. W. Cowden "C" Well No. 4 and the R. W. Cowden "C" Well No. 9 (API No. 30-025-27918), now operated by Roca Production, Inc. and located at a standard gas well location for the 315.98-acre GPU 1650 feet from the North line and 800 feet from the East line (Unit H) of said Section 31.

Before the Division can authorize the formation of the subject 235.98-acre GPU and nonstandard gas well location for the proposed R. W. Cowden "C" Well No. 10, it will be necessary to make such an application for the remaining 80 acres severed from the original 315.98-acre GPU. I will therefore delay action on this application until such time as I receive a "like" application on the acreage in the E/2 NE/4.

Should either of you have any questions or comments, please contact me in Santa Fe at (505) 827-8185.

Sincerely, there 1

Michael E. Stogner Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs U. S. Bureau of Land Management - Carlsbad

DOYLE HARTMAN

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

(915) 684-4011 (915) 682-7616 FAX

Via Facsimile (505) 827-8177

August 7, 1996

New Mexico Oil Conservation Division 2040 S. Pacheo Santa Fc, New Mexico

Attn: Michael E. Stogner, Chief Hearing Officer

Re: R. W. Cowden "C" No. 10 Lea County, New Mexico NW/4, W/2 NE/4 Section 31 T-23-S, R-37-E (236 Acres)

Administrative Application for:

- 1. Unorthodox Jalmat Location
- 2. 236-acre Non-standard Jalmat P.U.
- 3. Simultaneous Dedication

Dear Mr. Stogner:

This facsimile is in response to our telephone conversation of this morning and your letter to us dated June 25, 1996. We want to inform you that we are ready to submit the Application for the Permit to Drill the above referenced well as soon as the Unorthodox Location, Non-standard Proration Unit and Simultaneous Dedication requests have been officially approved. If you have any further questions or comments please do not hesitate to contact us at the following telephone number: (915) 684-4011.

Thank you very much,

DOYLE HARTMAN, Oil Operator

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Don Mashburn, Engineer