NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

November 4, 1999

Doyle Hartman, Oil Operator P. O. Box 10426 Midland, Texas 79702 Attention: Doyle Hartman Telefax No. (915) 682-7616

Administrative Order SD-99-13

Dear Mr. Hartman:

Reference is made to: (i) your letter dated October 14, 1999 that was addressed to GP II Energy, Inc. in Midland, Texas and copied to both the Division Director and to Mr. Michael E. Stogner, Chief Hearing Officer/Engineer of the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico; and (ii) the Division's records in Santa Fe: all concerning Doyle Hartman, Oil Operator's request for an additional Jalmat infill gas well location within an existing non-standard 160-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the NW/4 of Section 8, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, which was established by Division Administrative Order NSP-624, issued to Western Natural Gas Company on December 10, 1962. The following described two wells are currently dedicated to this GPU:

- (1) F. M. Burleson "WN" Well No. 2 (API No. 30-025-11507), located at an unorthodox gas well location, which was "grandfathered" in as a standard Jalmat gas well location for the subject 160-acre GPU pursuant to Rule 2(b) of the "Special Rules and Regulations for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170, as amended, 1980 feet from the North line and 2310 feet from the West line (Unit F) of Section 8 (this was the initial well for this GPU and was the subject of Division Administrative Order NSP-624); and
- (2) F. M. Burleson "WN" Well No. 3 (API No. 30-025-26874) located at an unorthodox gas well location (approved by Division Administrative Order NSL-1226, issued to ARCO Oil & Gas Company on July 16, 1980) 330 feet from the North and West lines (Unit D) of Section 8.

It is our understanding that the subject well to be considered at this time, your proposed F. M.

Burleson Well No. 4, is to be drilled at a standard gas well location for this 160-acre GPU 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 8.

You are hereby authorized to simultaneously dedicate Jalmat gas production from the proposed F. M. Burleson Well No. 4 with the two existing F. M. Burleson "WN" Wells No. 2 and 3. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from these three wells in any proportion

Further, all provisions of Division Administrative Orders NSP-624 and NSL-1226 shall remain in full force and affect until further notice.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

J. E. Gallegos, Legal Counsel - Santa Fe

File: NSP-624

NSL-1226 /