

OIL CONSERVATION DIVISION
DOYLE HARTMAN RECEIVED
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June 30, 1993

Mr. A. W. Bohling
Petroleum Engineer
Chevron U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Mr. William J. LeMay
Director
State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Unorthodox Gas Well Location and Simultaneous Dedication,
Eumont Yates Seven Rivers Queen (Pro Gas) Pool,
1780' FNL and 660' FEL, Section 21, T-21-S, R-36-E,
Lea County, New Mexico

Gentlemen:

Reference is made to Chevron's application, to the NMOCD, of June 21, 1993, for an unorthodox Eumont gas well location for its newly proposed Arnott Ramsay NCT-C No. 16 well. Chevron's application states that it proposes to drill the Arnott Ramsay NCT-C No. 16 well on an existing 640-acre Eumont gas proration unit consisting of all of Section 21, T-21-S, R-36-E, with the new well to be situated at an unorthodox location of 1780' FNL and 660' FEL of Section 21, T-21-S, R-36-E. Reference is also made to Doyle Hartman's application, in 1990, to the NMOCD (Case No. 9898), for the establishment of the Doyle Hartman-operated 280-acre Britt-Laughlin Eumont proration unit consisting of parts of Sections 5 and 8, T-20-S, R-37-E.

As an offset operator to Chevron's Arnott Ramsay NCT-C No. 16 well, we are not going to oppose Chevron's application for an unorthodox location for the newly proposed Arnott Ramsay No. 16 well, although, in 1990, when we made an application to the NMOCD (Case 9898) for our 280-acre Britt-Laughlin Eumont proration unit, Chevron actively opposed the location of our previously existing Britt-Laughlin No. 5 well and requested, on the grounds that the Britt Laughlin No. 5 well was located at an unorthodox location,

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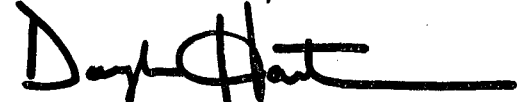
that the NMOCD restrict the gas production from our previously existing Britt-Laughlin No. 5 Eumont well. A review of page 9 of the NMOCD Order R-9199 (copy enclosed) clearly shows that the NMOCD, as a result of Chevron's opposition, did indeed penalize our Britt-Laughlin No. 5 well with the NMOCD making the following ruling concerning the Britt-Laughlin No. 5 well:

"(24) The allowable assigned to the aforesaid proration unit should be permitted to be produced from any well on said unit in any proportion; provided, however, the Britt-Laughlin Com. Well No. 5 (Unit O, Section 5) should not be permitted to produce more than a 160-acre non-standard unit allowable, as determined by well tests, if such well is subsequently restored to production."

In light of Chevron's present application for approval of an unorthodox location for its Arnott Ramsay NCT-C No. 16 well, and being that we have plans in the near future to perform additional drilling in the Eumont and Jalmat Pools and may also need to ask Chevron for a waiver, it seemed appropriate at this time to confirm Chevron's obvious change in position concerning unorthodox gas well locations.

Very truly yours,

DOYLE HARTMAN, OIL OPERATOR



Doyle Hartman
Owner

DH:pdd
Enclosure

cc: Mr. Don Mashburn
Mr. Steven Hartman