

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7339
Order No. R-6781

APPLICATION OF DOYLE HARTMAN
FOR COMPULSORY POOLING, UNORTHODOX
WELL LOCATION, AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 26, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of September, 1981, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Doyle Hartman, seeks an order
pooling all mineral interests in the Jalmat Pool underlying the
S/2 of Section 17, Township 24 South, Range 37 East, NMPM, Lea
County, New Mexico, to be simultaneously dedicated to his Late
Thomas Well No. 1 located in Unit M of said Section 17 and to
wells to be drilled at an orthodox location in Unit J and an
unorthodox location in Unit L.
- (3) That the applicant's request to dismiss that part of
the subject case seeking an unorthodox location should be
approved.
- (4) That the applicant is the owner and operator of the
Late Thomas Well No. 1 located in Unit M and proposes to drill
two wells at orthodox locations in Unit J and Unit K, all in
said Section 17.

(5) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(6) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) That the applicant should be designated the operator of the subject well and unit.

(8) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(9) That any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(10) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(11) That following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(12) That \$3500.00 per month while drilling and \$350.00 per month while producing should be fixed as reasonable charges for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(13) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(14) That upon the failure of the operator of said pooled unit to commence drilling of the first of the wells to be drilled and to which said unit is dedicated on or before January 1, 1982, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Jalmat Pool underlying the S/2 of Section 17, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a non-standard 320-acre gas spacing and proration unit to be simultaneously dedicated to applicant's Late Thomas Well No. 1 located in Unit M of said Section 17 and to two wells to be drilled in Unit J and Unit K therein.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of the first of said wells to be drilled on or before the 1st day of January, 1982, and shall thereafter continue the drilling of said wells with due diligence to a depth sufficient to test the Jalmat Pool.

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well to be drilled on or before the 1st day of January, 1982, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should both said wells to be drilled not be drilled to completion, or abandonment, within 240 days after commencement of the first well, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded as to such undrilled or completed well

(2) That Doyle Hartman is hereby designated the operator of the subject wells and unit.

(3) That after the effective date of this order and within 90 days prior to commencing either of said wells, the operator shall furnish the Division and each known working interest owner in the subject unit an appropriate itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 200 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$3500.00 per month while drilling and \$350.00 per month while producing are hereby fixed as reasonable charges for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject wells which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(13) That that portion of the subject application seeking approval of an unorthodox Jalmat Gas Pool well located in Unit L of said Section 17 is hereby dismissed.

(14) That 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L
fd/

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7656
Order No. R-6781-A

APPLICATION OF CITIES SERVICE
COMPANY FOR DETERMINATION OF
REASONABLE WELL COSTS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 26, 1982, and July 19, 1990, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of August, 1990, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearings, and being fully advised in the premises,

FINDS THAT:

An excessive amount of time having passed since this matter having been heard initially, this case should be dismissed.

IT IS THEREFORE ORDERED THAT:

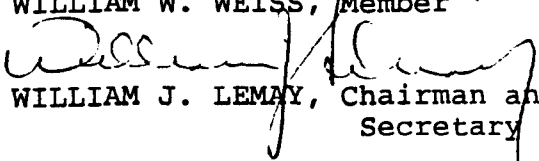
Case No. 7656 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


WILLIAM R. HUMPHRIES, Member


WILLIAM W. WEISS, Member


WILLIAM J. LEMAY, Chairman and
Secretary

S E A L
fd/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1795
Order No. R-1527

APPLICATION OF CITIES SERVICE
OIL COMPANY AND LATE OIL COMPANY
FOR APPROVAL OF A 320-ACRE NON-
STANDARD GAS PRORATION UNIT IN
THE JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 28, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of November, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That as a result of communitization of acreage owned by Late Oil Company, Cities Service Oil Company, and Gulf Oil Corporation, the applicant, Late Oil Company, is the operator of the S/2 of Section 17, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicants propose the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the S/2 of said Section 17, to be dedicated to the Thomas Well No. 1, located 660 feet from the South line and 660 feet from the West line of said Section 17.

(4) That the S/2 of said Section 17 can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

Case No. 1795
Order No. R-1527

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the S/2 of Section 17, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the Thomas Well No. 1, located 660 feet from the South line and 660 feet from the West line of said Section 17.

(2) That the said Thomas Well No. 1 be and the same is hereby granted an acreage factor for allowable purposes in the proportion that the above-described acreage bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool, effective on December 1, 1959, provided that said well has been brought into balance by that date. If said well is not then in balance, the increased acreage factor shall become effective upon the first day of the month following the month in which the subject well has been brought into balance.

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

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

GAS PRODUCTION HISTORY

7-14-80

Page 1 of 2

Operator: Late Oil Co.
 Well: Thomas No. 1
 Location: M-17-24-37
 Pool: Jalmat (Gas)
 Spud Date: 5-30-53 Original Completion Date: 6-25-53
 Completion Interval (Gas): _____
 Completion Date (Gas): 6-25-53 First Production (Gas): _____
 Remarks: Proration unit for the subject Jalmat (Gas) well is the
S/2 Section 17.

| Year | No. of Mos. | Annual Gas Production (MCF) | Avg. Gas Rate (MCF/mo.) | Cum. Gas Production (MMCF) | Annual SIP (psia) | P/Z |
|------|-------------|-----------------------------|-------------------------|----------------------------|-------------------|-----|
| 1980 | 12 | 29850 | 2487 | 4569.5 | 104.2 | 110 |
| 1979 | 12 | 41197 | 3433 | 4539.7 | 136.2 | 140 |
| 1978 | 11 | 43084 | 3917 | 4498.5 | 169.2 | 175 |
| 1977 | 12 | 55911 | 4659 | 4455.5 | 211.2 | 220 |
| 1976 | 12 | 54515 | 4543 | 4399.5 | 183.2 | 190 |
| 1975 | 12 | 60961 | 5080 | 4345.0 | 120.2 | 125 |
| 1974 | 12 | 71967 | 5997 | 4284.1 | 262.2 | 275 |
| 1973 | 12 | 74842 | 6237 | 4212.1 | 226.2 | 235 |
| 1972 | 12 | 48456 | 4035 | 4055.2 | 196.2 | 200 |
| 1971 | 12 | 39044 | 3170 | 4006.7 | 180.2 | 190 |
| 1970 | 12 | 74522 | 6210 | 3963.7 | 285.2 | 300 |
| 1969 | 12 | 128624 | 10719 | 3894.1 | 280.2 | 295 |
| 1968 | 12 | 115038 | 9586 | 3765.5 | 365.2 | 390 |
| 1967 | 10 | 138430 | 13843 | 3650.5 | 367.2 | 390 |
| 1966 | 12 | 137296 | 11441 | 3512.1 | N/A | N/A |
| 1965 | 12 | 261596 | 21799 | 3374.8 | 448.2 | 480 |
| 1964 | 12 | 401581 | 33465 | 3113.2 | N/A | N/A |
| 1963 | 10 | 296721 | 29672 | 2711.6 | 448 | 430 |
| 1962 | 12 | 295134 | 24594 | 2414.9 | N/A | N/A |
| 1961 | 11 | 349331 | 31757 | 2119.7 | N/A | N/A |

19 79 Detail Summary

Jan. 3468 July 2920
 Feb. 2932 Aug. 3644
 March 3256 Sept. 3695
 April 2900 Oct. 4223
 May 2409 Nov. 3535
 June 3771 Dec. 3444

19 80 Detail Summary

Jan. 3252 July 3080
 Feb. 2712 Aug. 2767
 March 2285 Sept. 2563
 April 1727 Oct. 2699
 May 2496 Nov. 1834
 June 2620 Dec. 1807

Production (Y-T-D) 29850 MCF
 Days or Months (Y-T-D) 12 MOS.

Avg. Rate (Y-T-D) 2487 MCF/mo.

M-17-24-37

Gulf Oil Exploration And Production Company
July 31, 1961
Page 2

In this regard, please furnish a copy of any present operating agreements you may have covering this tract so it can be referred to in operating the present well (i.e., the No. 1 Thomas well).

Thank you and please let me hear from you.

Very truly yours,

James A. Davidson
James A. Davidson

JAD/mt

4

JAMES A. DAVIDSON
Oil & Gas Properties
P. O. BOX 474
MIDLAND, TEXAS 79702

(915) 682-6442 - OFFICE
694 5472 - RESIDENCE

July 31, 1981

Gulf Oil Exploration and Production Company
P. O. Box 1150
Midland, Texas 79702

Attention: Mr. Steve Fly
Land Department

Re: S/2 Section 17,
T-24-S, R-37-E
Lea County, New Mexico

Gentlemen:

Please refer to our previous correspondence concerning the above described lease (formerly the Late Oil Company-Thomas Lease) and particularly my letter to you of July 24, 1981, and be advised as follows:

1. Enclosed is a copy of the approved NMOCD Form C-104 changing the operator from Late Oil Company to Doyle Hartman (P. O. Box 10426, Midland, Texas 79702). This form was also furnished per my letter to you of July 24, 1981.
2. The operator is preparing to stake two 3,500' "infill" Jalmat wells on this lease located at the following locations:
 - (a) Thomas No. 2--1,880' FSL and 990' FWL
 - (b) Thomas No. 3--1,980 FSL and 1,980 FEL
3. El Paso Natural Gas Company has been advised of these proposed wells in order to have that company secure the necessary pipeline right-of-way.
4. The operator is in the process of scheduling a rig to drill these locations.
5. The operator's lawyer and independent consulting engineer are working on the necessary applications and related paperwork in order to qualify these wells as Section 103 "infill" wells under the Natural Gas Policy Act of 1978.

Therefore, please let me hear from you regarding the three alternatives set out in my letter to you of July 24, 1981, being (a) sell your interest; (b) farmout under the so-called "one-half free look" deal; and, (c) participate in the drilling under a new operating agreement.

GAS PRODUCTION HISTORY

Date 4-8-31

Page 2 of 2

Operator: Late Oil Co.

Well: Thomas Ho. 1

Location: M-17-24-37

Pool: Jalmat (Gas)

Spud Date: _____ Original Completion Date: _____

Completion Interval (Gas): _____

Completion Date (Gas): _____ First Production (Gas): _____

Remarks: _____

[illegible]

1951____. Detail Summary

| | |
|------------------|-------------|
| Jan. _____ 1761 | July _____ |
| Feb. _____ 1506 | Aug. _____ |
| March _____ 2742 | Sept. _____ |
| April _____ | Oct. _____ |
| May _____ | Nov. _____ |
| June _____ | Dec. _____ |

19 _____ Detail Summary

| | |
|-------------|-------------|
| Jan. _____ | July _____ |
| Feb. _____ | Aug. _____ |
| March _____ | Sept. _____ |
| April _____ | Oct. _____ |
| May _____ | Nov. _____ |
| June _____ | Dec. _____ |

Production (Y-1-D) 6000 MCF

Avq. Rate (Y-T-D) 2903 MCF/mo.

Days or Months (Y-T-U) 3 mos.

M-17-24-37

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Doyle Hartman Well Name and No. Late-Thomas No. 2

Location: Unit L Sec. 17 Twp. 24-S Rng. 37-E Cty. Lea County

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is completed in the Jalmat (Gas) Pool Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 320-acre proration unit comprising the S/2 of Sec. 17, Twp. 24-S, Rng. 37-E, is currently dedicated to the Late-Thomas Late-Thomas No. 1 located in Unit M of said section.

(5) That this proration unit is () standard (x) nonstandard; if nonstandard, said unit was previously approved by Order No. R-6781.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 318.8 MMCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That 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 this 29th day of December, 19 81.


DIVISION DIRECTOR EXAMINER

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Doyle Hartman Well Name and No. Late-Thomas No. 3
Location: Unit J Sec. 17 Twp. 24-S Rng. 37-E Cty. Lea County

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) That the well for which a finding is sought is completed in the Jalmat (Gas)
Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 320-acre proration unit comprising the S/2
of Sec. 17, Twp. 24-S, Rng. 37-E, is currently dedicated to the Late-Thomas
#1 located in Unit M of said section.

(5) That this proration unit is () standard (X) nonstandard; if nonstandard, said unit was previously approved by Order No. R-6781.

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 1220 MMCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That 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 this 29th day of December, 19 81.


DIVISION DIRECTOR EXAMINER

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7368
Order No. R-6807

APPLICATION OF DOYLE HARTMAN
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 7, 1981,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 1981, the Division Director,
having considered the testimony, the record, and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Doyle Hartman, seeks approval of an
unorthodox gas well location 980 feet from the South line and 990
feet from the West line of Section 17, Township 24 South, Range 37
East, NMPM, to test the Yates and Upper Seven Rivers formations,
Jalmat Gas Pool, Lea County, New Mexico.

(3) That the S/2 of said Section 17 is to be dedicated to
the well.

(4) That a well at said unorthodox location will better enable
applicant to produce the gas underlying the proration unit.

Case No. 7368
Order No. R-6807

(5) That the leasee of the deep rights under the NW/4 SW/4 of said Section 17, objected to the aforesaid unorthodox location on grounds that it would endanger his Langlie Mattix well located on the same 40-acre tracts.

(6) That the proposed well is located some 330 feet distant from said Langlie Mattix well and should pose no threat to same.

(7) That 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Doyle Hartman for an unorthodox gas well location for the Yates and Upper Seven Rivers formation is hereby approved for a well to be located at a point 1980 feet from the South line and 990 feet from the West line of Section 17, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(2) That the S/2 of said Section 17 shall be dedicated to the above-described well.

(3) That 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


JOE D. RAMEY
Director

S E A L