

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

**IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN, OIL OPERATOR FOR  
SIMULTANEOUS DEDICATION, AN EXCEPTION  
TO RULE 3(D) OF THE SPECIAL RULES AND  
REGULATIONS FOR THE EUMONT GAS POOL,  
AN UNORTHODOX INFILL GAS LOCATION,  
AND TO AMEND DIVISION ADMINISTRATIVE  
ORDER NSL-4773(SD), LEA COUNTY, NEW MEXICO**

CASE NO. 13050

**RECEIVED**

MAY 7 2003

**PRE-HEARING STATEMENT**

Oil Conservation Division

This Pre-Hearing Statement is submitted by Doyle Hartman, Oil Operator ("Hartman") in accordance with Rule 1208.B.,19 NMAC 15.N, in support of this Application. Hartman will demonstrate that granting of the Application will protect correlative rights and prevent waste.

**APPEARANCES OF PARTIES**

**APPLICANT**

Doyle Hartman, Oil Operator

**ATTORNEYS**

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Michael J. Condon  
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460 St. Michael's Drive, Bldg. 300  
Santa Fe, NM 87505  
(505) 983-6686

*WWT  
5/7/03*

To Hartman's knowledge, no other party has entered an appearance or filed opposition in this matter.

**HARTMAN'S STATEMENT OF THE CASE**

Hartman supports this Application on the grounds that approval of the Application will protect correlative rights and prevent waste. NMSA 1978 § 70-2-11 (1995 Repl.). The Application is necessary because of unique circumstances surrounding the

development of Section 7, Township 20 South, Range 37 East in Lea County, New Mexico. The history of that development, as well as the general evidence in support of this Application, are set out in Hartman's letter to the New Mexico Oil Conservation Division dated February 12, 2003, copy attached hereto as Exhibit A.

**PROPOSED EVIDENCE**

**HARTMAN**

<b>MAY-CALL WITNESSES (Name and Expertise)</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Steve Hartman Petroleum Engineer	30 min.	15-20
John Allred Petroleum Engineer	30 min.	10-15

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By   
\_\_\_\_\_  
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**DOYLE HARTMAN**

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88:07-30:07 EEL

February 12, 2003

**Via FedEx**

New Mexico Oil Conservation Division  
1220 So. St. Francis Drive  
Santa Fe, NM 87505  
Attn: Lori Wrotenbery, Director, Oil Conservation Division  
Michael E. Stogner, Chief Hearing Officer

**Via FedEx**

Chris Williams, NMOCD District 1 Supervisor  
New Mexico Oil Conservation Division  
1625 French Drive  
Hobbs, New Mexico 88240

Re: **H.M. Britt Nos. 2 and 12 Eumont Wells**  
**NE/4NW/4 (Unit C)**  
**Section 7, T-20-S, R-37-E**  
**Lea County, New Mexico**  
**[Federal Lease No.: LC-031621A]**

Ladies and Gentlemen:

Reference is made to the NMOCD's letter, of February 5, 2003, that was received on February 10, 2003 (copy enclosed), regarding the fact that we have two Eumont producers (H.M. Britt Nos. 2 and 12 wells) situated within the same quarter-quarter section consisting of the NE/4NW/4 Section 7, T-20-S, R-37-E.

Reference is also made to our simultaneous dedication application, of August 14, 2002, corresponding to the multi-well 320-acre H.M. Britt Lease Eumont proration unit, consisting of the W/2E/2 and E/2W/2 Section 7, T-20-S, R-37-E, which application was necessitated by our return to beneficial use, in 2001, of four **long-time-abandoned** H.M. Britt Lease wellbores.

In regard to the H.M. Britt Nos. 2 and 12 Eumont wells, and the NMOCD's stated concerns about two Eumont producers being located **within** C-7-20S-37E, please find herein enclosed (1) a chronological tabulation of events surrounding the repair, **recompletion**, and return to production, of the H.M. Britt Nos. 2 and 12 wells, and (2) supporting documents corresponding to the herein enclosed chronological tabulation.

As can be ascertained from a **careful** review of the herein-enclosed chronology and corresponding supporting documents, as well as from other **key** enclosures, the H.M. Britt No. 2 wellbore, **as of 2001**, had been an **abandoned** wellbore for a period of **47 years**, with last production occurring in **October, 1954** (production graph enclosed).

Meanwhile, by 2001, the H.M. Britt No. 12 well, that was recompleted to the Lower-Eumont, in early 1977, was no longer a commercially viable producer, due to its production of highly corrosive and abrasive water, which water production resulted in **costly and unprofitable** well operations (i.e., **continual** rod parts and tubing leaks). The root cause of the costly water production was an inadequate and defective **26-year-old** cement job, that did **not** effectively isolate gas-productive Eumont strata from underlying water-productive Eunice-Monument strata, as **required** by NMOCD regulations (NMOCD Rule 107 enclosed).

Consequently, on May 3, 2001, a 3160-5 Notice of Intent was filed, with the BLM, that proposed repairing the long-time-abandoned H.M. Britt No. 2 well, and recompleting the well as a **replacement** for the non-commercial and **mechanically-defective** H.M. Britt No. 12 Lower-Eumont completion.

The next day, on May 4, 2001, a 3160-5 Notice of Intent was filed, with the BLM, corresponding to the H.M. Britt No. 12 well. The H.M. Britt No. 12 Sundry Notice proposed that the H.M. Britt No. 12 well be cleaned out and logged, so that a successful and mechanically-sound well abandonment could be achieved, and **further** upward migration of formation water would **not** occur, on the outside of the 5 ½" O.D. casing string, after abandonment of the H.M. Britt No. 12 well.

On June 23, 2001, as documented by the herein-enclosed 3160-5 Sundry Notice (dated September 25, 2001), corresponding to the H.M. Britt No. 12 well, a 795' vertical interval, from 2822' to 3617' (76 holes), was squeezed, and the inclusive permeable strata isolated, utilizing **2500** sx of cement, at a final squeeze pressure of **4000** psi.

Also, as documented by our herein-enclosed 3160-5 Sundry Notice, of September 25, 2001, corresponding to the H.M. Britt No. 2 well, the Britt No. 2 well was returned to beneficial use, on **June 27, 2001**, as a Lower-Eumont interval producer, as a replacement for the adjacent and defective H.M. Britt No. 12 Eumont wellbore, that was **squeezed and abandoned on June 23, 2001**.

On October 3, 2001, after receipt of our 3160-5 Sundry Notice (of September 25, 2001), corresponding to the abandonment, on June 23, 2001, of the H.M. Britt No. 12 Lower-Eumont well, the BLM issued a **"Note to Operator"** requesting that we furnish, **within 30 days**, an estimated time frame for also **returning** the abandoned H.M. Britt No. 12 to production. In light of (1) the BLM's **eagerness** to have the **abandoned** H.M. Britt No. 12 wellbore returned to an active producing status,

and (2) recognizing that the Upper-Eumont interval, in C-7-20S-37E, was **potentially** gas productive (but not a primary completion target), the H.M. Britt No. 12 was recompleted, on November 9, 2001, as an Upper-Eumont gas producer, between **2293'** and **2983'**, which Upper-Eumont recompletion interval is vertically **separate** and **isolated** from the underlying H.M. Britt No. 2 Lower-Eumont (Queen) producing interval, between **3017'** and **3277'**.

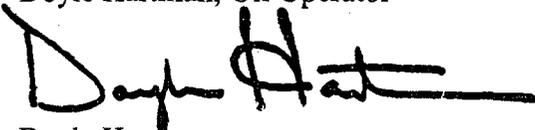
Although our **recompletion**, in November, 2001, of the H.M. Britt No. 12 well, as an Upper-Eumont producer, has subsequently resulted in two Eumont producers being situated **within** C-7-20S-37E, the H.M. Britt No. 2 (recompleted June 27, 2001), and the H.M. Britt No. 12 (recompleted November 9, 2001) clearly produce from **separate** portions of the **lengthy** vertical limits of the Eumont Pool, with each well demonstrating different production characteristics and reservoir pressures, as is evidenced by (1) the herein enclosed Britt Nos. 2 and 12 two-well completion-interval schematic, and (2) the herein enclosed Britt Nos. 2 and 12 two-well production/pressure plot.

Therefore, in recognition of the foregoing, it is evident that **both** the H.M. Britt No. 2 Lower-Eumont well and the H.M. Britt No. 12 Upper-Eumont well, because of their vertically-separate producing intervals, are **each** needed to (1) **fully** recover all remaining Eumont gas reserves underlying C-7-20S-37E, and (2) protect correlative rights; i.e., the **premature** abandonment of **either** well would lead to the loss (**waste**) of presently-recoverable gas reserves and **future revenues**, that were developed, in 2001, at a **substantial** investment cost of **\$960,010.36** ( $\$514,132.73 + \$445,877.63 = \$960,010.36$ ).

Moreover, although it was **not** our initial plan, in May, 2001, to **recomplete** both the H.M. Britt Nos. 2 and 12 wells, as Eumont producers, because of the two vertically-separate completions that have resulted, due to the **requirements** set forth by the BLM, **more** total reserves are now potentially recoverable, from C-7-20S-37E, than would have been recoverable from a **single** Eumont wellbore, since the mechanical condition (cement and pipe), of both the H.M. Britt No. 2 well or the H.M. Britt No. 12 well, is insufficiently adequate to permit an **extended** single-well completion interval that covers the lengthy vertical section now **collectively** produced in the H.M. Britt Nos. 2 and 12 wells.

Very truly yours,

Doyle Hartman, Oil Operator



Doyle Hartman  
Owner

New Mexico Oil Conservation Division  
February 12, 2003  
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cc: **Via FedEx**  
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