GALLEGOS LAW FIRM

A Professional Corporation

141 East Palace Avenue
Santa Fe, New Mexico 87501
505 • 983 • 6686
Telefax No. 505 • 986 • 0741

J. E. Gallegos
George F. Bingham*
Michael L. Oja †
Joanne Reuter
Felice G. Gonzales
Candace Hamann-Callahan
Harry T. Nutter

September 11, 1989

Mr. Mike Stogner
Hearing Examiner
State of New Mexico
Energy and Minerals Department
301 Old Santa Fe Trail
Santa Fe, New Mexico 87504

RE: NMOCD Case No. 9766;
A.L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County New Mexico
(148 acre proration unit)
1. Non-Standard Proration Unit
2. Unorthodox Location
3. Notice of Section 103 Infill Application

Dear Mr. Stogner:

This firm represents Doyle Hartman in the above-referenced case, which has been scheduled for a September 20, 1989 hearing. Marathon Oil Company has objected to Mr. Hartman's proposed gas well location.

Due to a combination of the geometry of the existing 148-acre proration unit (including a width of only 1220 feet), the existence of numerous wellbores, a high voltage power line, the necessary drilling rig layout and two pipelines, Mr. Hartman proposes a location of 990' FNL and 460' FWL, for his A. L. Christmas No. 1 well in this application. By letter of August 17, 1989 Marathon Oil Company requested that a 30% allowable penalty be further imposed on Mr. Hartman's well in this proceeding. Marathon itself, however, has the McDonald State A/C No. 11, a GOR Eumont

*Also admitted in the District of Columbia
† Also admitted in California

casinghead well that produces from the same Eumont (Penrose) interval in the adjacent proration unit, located even closer to the joint proration unit line (330') than Mr. Hartman's proposed well. Mr. Hartman's proposed well also would receive only a 0.9428 acreage factor under NMOCD prorationing rules (See Rule 5(a)), accounting for the reduced unit size and concomitant unorthodox proximity to the section line.

In order to expedite approval of drilling despite Marathon's hypocritical objection, Mr. Hartman wrote to you on August 30, 1989 explaining that he was considering changing his proposed well location. It was thereafter determined through discussions with Mr. Vic Lyon that the NMOCD would nonetheless treat such a change as an unorthodox location. A new application and additional notice would be required. Mr. Hartman has accordingly decided that he will proceed with his original proposed location and application.

We are anxious that the hearing on this application and Marathon's objection be held on September 20, 1989, as scheduled. Mr. Hartman desires to complete the proposed A.L. Christmas well as part of a 10-well drilling program in Lea County, New Mexico prior to the end of the year in order to take advantage of the winter-peak gas demand and for tax reasons. Thus, the purpose of this letter is twofold: (1) To inform the OCD in advance that we adamantly oppose any postponement or continuance of this case should Marathon or anyone else seek one. (2) In light of the September 6, 1989 letter of W. O. Snyder, Production Manager, Marathon Oil Company, to make it clear that Hartman will proceed with his application as originally filed.

Sincerely,

GALLEGOS LAW FIRM

By J. E. Gallegos
J. E. GALLEGOS

JEG:evm
cc: C.R. Hubacher
W. O. Snyder
Marathon Oil Co.
P. O. Box 552
Midland, Texas 79702
Doyle Hartman

ioc: JR/JD

Mid-Continent Region
Production United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

Case No. 9766

September 6, 1989

New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Attention: Mr. Michael E. Stogner

Re: Doyle Hartman's Application for Unorthodox Well Location
Our Lease NM-106 - McDonald State Lease A-2614
All of Section 13, T-22-S, R-36-E,
Our South Eunice Area
Lea County, New Mexico

Gentlemen:

Reference is made to Doyle Hartman's (Hartman) August 30, 1989, letter wherein the location of Hartman's proposed A. L. Christmas No. 1 well has been changed to 990' FNL and 610' FWL of Section 18, T-22-S, R-37-E, Lea County, New Mexico.

Upon review of the above location change, please be advised that Marathon is not opposed to the new location of the subject well.

Please be advised that if the proposed well is moved back to its original location (990' FNL & 460' FWL of Section 18), then Marathon will announce a protest.

Should you have any questions concerning the above, please advise.

Very truly yours,

MARATHON OIL COMPANY

W. O. Snyder
Production Manager,
Midland Operations

WOS/SMD;mmc'

xc: Mr. S. C. Schraub
Mr. J. L. Benson
Mr. L. D. Garcia
Doyle Hartman
P. O. Box 10426
Midland, Texas 79702-0426
Attn: Mr. Michael Stewart

DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011

August 30, 1989

VIA TELEFAX/HAND DELIVERED/FEDERAL EXPRESS

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Hearing Examiner

Re: Doyle Hartman
A. L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
1. Nonstandard P.U.
2. Unorthodox Location

Gentlemen:

Reference is made to our proposed A. L. Christmas No. 1 infill Eumont gas well and to our application to the NMOCD dated July 27, 1989 for reinstatement of the previously approved 147.96-acre non-standard standup Eumont gas proration unit consisting of the W/2 W/2 Section 18, T-22-S, R-37-E (NSP-341) which is to be dedicated to our newly proposed A. L. Christmas No. 1 infill Eumont Gas well and which was previously dedicated to Chevron's (Gulf's) A. L. Christmas "C" No. 5 Eumont gas well located at an unorthodox Eumont gas location consisting of 2310' FSL and 330' FWL Section 18. Reference is also made to our application of July 27, 1989 to the NMOCD for an unorthodox Eumont gas well location for our proposed infill well consisting of 990' FNL and 460' FWL Section 18 and to our letter to the NMOCD dated July 27, 1989 and to our letter to Marathon Oil Company dated August 10, 1989 wherein the necessity for the proposed unorthodox location was discussed in detail.

For tax reasons, and in an effort to begin replacing the oil and gas reserves that we recently sold to Meridian Oil Producing Inc., it is our plan to drill a total of ten new wells in Lea County, New Mexico during 1989. So as to stay on schedule with our planned drilling program, it is important that the proposed A. L. Christmas No. 1 well be drilled in the near future. Therefore, in an effort to facilitate the drilling of the A. L. Christmas No. 1 well and to accommodate Marathon Oil Company's unreasonable objection to our originally proposed location for our A. L. Christmas No. 1 well consisting of 990' FNL and 660' FWL of Section 18, we are today talking with Chevron in Hobbs in an effort to obtain permission to modify the routing of Chevron's high voltage power line that runs north and

south down the center of the prveiously approved proposed 147.96-acre standup Eumont proration unit consisting of the W/2 W/2 Section 18. Today we are also talking to Commercial Electric Company in Hobbs about the economic feasibility of moving Chevron's high voltage power line. As was thoroughly discussed in our previous correspondence concerning an unorthodox Eumont gas well consisting of 990' FNL and 460' FWL Section 18, Chevron's high voltage power line is presently restricting our access to the equivalent of an orthodox Eumont gas location for our proposed A. L. Christmas No. 1 well along the north-south centerline of the W/2 W/2 Section 18.

Assuming that Chevron is voluntarily agreeable to allowing us to alter the routing of their existing high voltage power line and also assuming that the movement of the line is economically practical, we hereby amend (in accordance with Rule 2(b)4 and 5(a) of the SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL) the proposed location for our A. L. Christmas No. 1 well to a location consisting of 990' FNL and 610' FWL Section 18, T-22-S, R-37-E which is the equivalent of an orthodox Eumont gas location for a 147.96-acre standup rectangle Eumont proration unit. A location consisting of 990' FNL and 610' FWL will place the well along the centerline of the 147.96-acre standup non-standard rectangular Eumont proration unit at a distance 990 feet south of the north line.

The fact that a 147.96-acre Eumont proration unit is assigned under NMOCD prorationing rules (Rule 5(a)) an acreage factor of 0.9248 (or an allowable that is 92.48% of a full 160-acre Eumont proration unit) totally negates Marathon's unreasonable contention that our proposed well should be assigned an additional penalty because it is closer than 660 feet from the closet proration unit boundary line. The following calculation shows why an additional allowable penalty for a location of 990' FNL and 610' FWL would be a violation of the correlative rights of the onwers of the A. L. Christmas.

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A (Area) = L (Length) x W (Width)

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and W/2 (centerline) = 1220.74 feet/2 = 610.36 feet

Therefore, since time is of the essence in us obtaining the necessary regulatory approval for the subject infill well and assuming that the two obstacles corresponding to the high voltage powerline will be successfully resolved, the Director's prompt administrative approval of our amended equivalent orthodox location is respectfully requested so that we can promptly proceed with the necessary building of a drilling rig pad for the subject well. In the event, that Chevron is not voluntarily agreeable to allowing us to move their power line and/or it appears that it is not economically feasible to move the power line, then in order to protect both our correlative rights as well as the correlative rights of the royalty owners corresponding to the subject 147.96-acre A. L. Christmas lease, we plan to proceed on September 20, 1989 with our scheduled hearing for the originally proposed unorthodox Eumont gas location for our A. L. Christmas No. 1 well consisting of 990' FNL and 460' FWL Section 18, T-22-S, R-37-E. We will promptly contact you after we have met with Chevron and Commercial Electric Company if it does appear that it is not feasible to drill along the north-south centerline of the W/2 W/2 Section 18, T-22-S, R-37-E.

Very truly yours,

Doyle Hartman

DH/lr

cc: Mr. Victor T. Lyons
Chief Engineer
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Chevron USA Inc.
Post Office Box 670
Hobbs, New Mexico 88240
Attention: Mr. R. C. Anderson

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Post Office Box 670
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Attention: Mr. Clint Morrill
New Mexico Area Superintendent

✓Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attention: Mr. John F. Strong
Mid-Continent Manager

Presidio Exploration, Inc.
5613 DTC Parkway, Suite 750
Englewood, Colorado 80111-3035

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#6 Desta Drive
Midland, Texas 79705

Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702
Attention: Mr. Alan W. Bohling
Division Proration Engineer

Amerada Hess Corporation
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Sidney, Montana 59270

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Santa Fe, New Mexico 87501
Attention: Mr. J. E. Gallegos
Ms. Joanne Reuter

Mr. Daniel Nutter
105 E. Alicante
Santa Fe, New Mexico 87501

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Company: [illegible]

Department/Floor No.:

Street Address: [illegible]

City: [illegible] State: [illegible] ZIP Required:

2 To (Recipient's Name) Please Print: Michael Stogner

Recipient's Phone Number (Very Important): (505)827-5804

Company: New Mexico Oil Conservation Division

Department/Floor No.:

Exact Street Address (We Cannot Deliver to P.O. Boxes or P.O. ® Zip Codes.): 310 Old Santa Fe Trail

City: Santa Fe State: New Mexico ZIP Required: 87501

3 YOUR BILLING REFERENCE INFORMATION (FIRST 24 CHARACTERS WILL APPEAR ON INVOICE.): A. L. Christ[illegible] 1

PAYMENT ☒ Bill Sender ☐ Bill Recipient's FedEx Acct. No. ☐ Bill 3rd Party FedEx Acct. No. ☐ Bill Credit Card ☐ Cash

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City: State: ZIP Required:

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4 ☐ OVERNIGHT TUBE
5 ☐ STANDARD AIR Delivery not later than second business day
6 ☒ OVERNIGHT LETTER*
7 ☐
8 ☐
9 ☐
10 ☐

*Declared Value Limit $100.

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1 ☐ HOLD FOR PICK-UP (Fill in Box H)
2 ☒ DELIVER WEEKDAY
3 DELIVER SATURDAY (Extra charge) ☐
4 ☐ DANGEROUS GOODS (Extra charge)
5 ☐ CONSTANT SURVEILLANCE SERVICE (CSS) (Extra charge) (Release Signature Not Applicable)
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7 ☐ OTHER SPECIAL SERVICE _____
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City State Zip

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Our base rate [illegible] Section 4261 [illegible]

LIMITATIONS ON OUR LIABILITY AND LIABILITIES NOT ASSUMED

Our liability for [illegible] damages or $100 [illegible] higher authorized [illegible] provide cargo [illegible] you may pay forty [illegible] declare a higher value and pay the additional charge, our liability will be the lesser of your declared value or the actual value of your package.

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We won't be liable for [illegible] damage or delay [illegible] events we cannot control, including but not limited to acts of God, [illegible] weather conditions, mechanical delays, acts of public [illegible] war, strikes, civil commotions [illegible] acts of public [illegible] including customs and quarantine officials, with actual [illegible] property.

DECLARED VALUE LIMITS

The highest declared value we allow for Overnight Letter [illegible] Pak Overnight Envelope shipments is $100. [illegible] Standard Air shipments is the highest declared [illegible] unless your package [illegible] case the highest declared value we allow is $500. Rates [illegible] value include airw[illegible] Federal Express [illegible] Current Service Guide.

If you send [illegible] one package on this Airbill you [illegible] the total declared value for all packages [illegible] the $100, $500 or $25,000 per package limit described above. (Example: 5 packages can have a total declared value of up to $125,000.) If more than one package is shipped on this airbill our liability for loss or damage will be limited to the actual value of the package(s) lost or damaged (not to exceed the lesser of the total declared value of the packages or its described above). [illegible] the actual or declared value.

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ALL CLAIMS MUST BE MADE BY YOU IN WRITING. [illegible] Current Service Guide.

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[illegible] your claim, you must set [illegible] information [illegible] Airbill [illegible] damaged, [illegible] any other [illegible] you have paid in transportation charges and you may not deduct the amount of your claim from [illegible] charges.

[illegible] without noting any damage on the delivery [illegible] assume that the package was delivered in good condition. In order for us to process your claim, you must, to the extent possible, make the original shipping cartons and packing available for [illegible]

RIGHT TO INSPECT

We may, at our option, open and inspect your packages prior to or after you give them to [illegible]

NO C.O.D. SERVICES

We don't provide C.O.D. services.

RESPONSIBILITY FOR PAYMENT

Even if you give us different payment instructions, you will always be primarily responsible for all delivery costs, as well as any costs we incur in [illegible] returning your package to you or warehousing it pending disposition.

QUALIFIED ACCEPTANCE

We reserve the right to reject a shipment at any time, when such shipment would be likely to cause damage or delay to other shipments, equipment or personnel, or if the transportation of which is prohibited by law or is in violation of any rules contained in this Airbill or our Service Guide.

MONEY-BACK GUARANTEE

In the event of untimely delivery, Federal Express will, at your request and with some limitations, refund [illegible] transportation charges. See Current Service Guide for further information.

Part #11300
Rev 10/86

DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011

August 30, 1989

Received 8/31/89

VIA TELEFAX/HAND DELIVERED/FEDERAL EXPRESS

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Hearing Examiner

Re: Doyle Hartman
A. L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
1. Nonstandard P.U.
2. Unorthodox Location

Gentlemen:

Case No. 9766

Reference is made to our proposed A. L. Christmas No. 1 infill Eumont gas well and to our application to the NMOCD dated July 27, 1989 for reinstatement of the previously approved 147.96-acre non-standard standup Eumont gas proration unit consisting of the W/2 W/2 Section 18, T-22-S, R-37-E (NSP-341) which is to be dedicated to our newly proposed A. L. Christmas No. 1 infill Eumont Gas well and which was previously dedicated to Chevron's (Gulf's) A. L. Christmas "C" No. 5 Eumont gas well located at an unorthodox Eumont gas location consisting of 2310' FSL and 330' FWL Section 18. Reference is also made to our application of July 27, 1989 to the NMOCD for an unorthodox Eumont gas well location for our proposed infill well consisting of 990' FNL and 460' FWL Section 18 and to our letter to the NMOCD dated July 27, 1989 and to our letter to Marathon Oil Company dated August 10, 1989 wherein the necessity for the proposed unorthodox location was discussed in detail.

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Assuming that Chevron is voluntarily agreeable to allowing us to alter the routing of their existing high voltage power line and also assuming that the movement of the line is economically practical, we hereby amend (in accordance with Rule 2(b)4 and 5(a) of the **SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL**) the proposed location for our A. L. Christmas No. 1 well to a location consisting of 990' FNL and 610' FWL Section 18, T-22-S, R-37-E which is the equivalent of an orthodox Eumont gas location for a 147.96-acre standup rectangle Eumont proration unit. A location consisting of 990' FNL and 610' FWL will place the well along the centerline of the 147.96-acre standup non-standard rectangular Eumont proration unit at a distance 990 feet south of the north line.

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Very truly yours,

Doyle Hartman

DH/lr

cc: Mr. Victor T. Lyons
Chief Engineer
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Chevron USA Inc.
Post Office Box 670
Hobbs, New Mexico 88240
Attention: Mr. R. C. Anderson

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Attention: Mr. Clint Morrill
New Mexico Area Superintendent

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5613 DTC Parkway, Suite 750
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Ms. Ruth Sutton
2826 Moss
Midland, Texas 79705

Mr. Larry Nermyr
Box 4106
Sidney, Montana 59270

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702

Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501
Attention: Mr. J. E. Gallegos
Ms. Joanne Reuter

Mr. Daniel Nutter
105 E. Alicante
Santa Fe, New Mexico 87501

TABLE OF CONTENTS
Attached to and made a part of the NMOCD letter
Dated August August 30, 1989

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
Doyle Hartman, Oil Operator	A.L. Christmas	1

Unit Letter	Section	Township	Range	County
D	18	22 South	37 East	NMPM Lea

Actual Footage Location of Well:
990 feet from the North line and 460 feet from the West line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3434.5	Queen (Penrose)	Eumont (Gas)	148 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

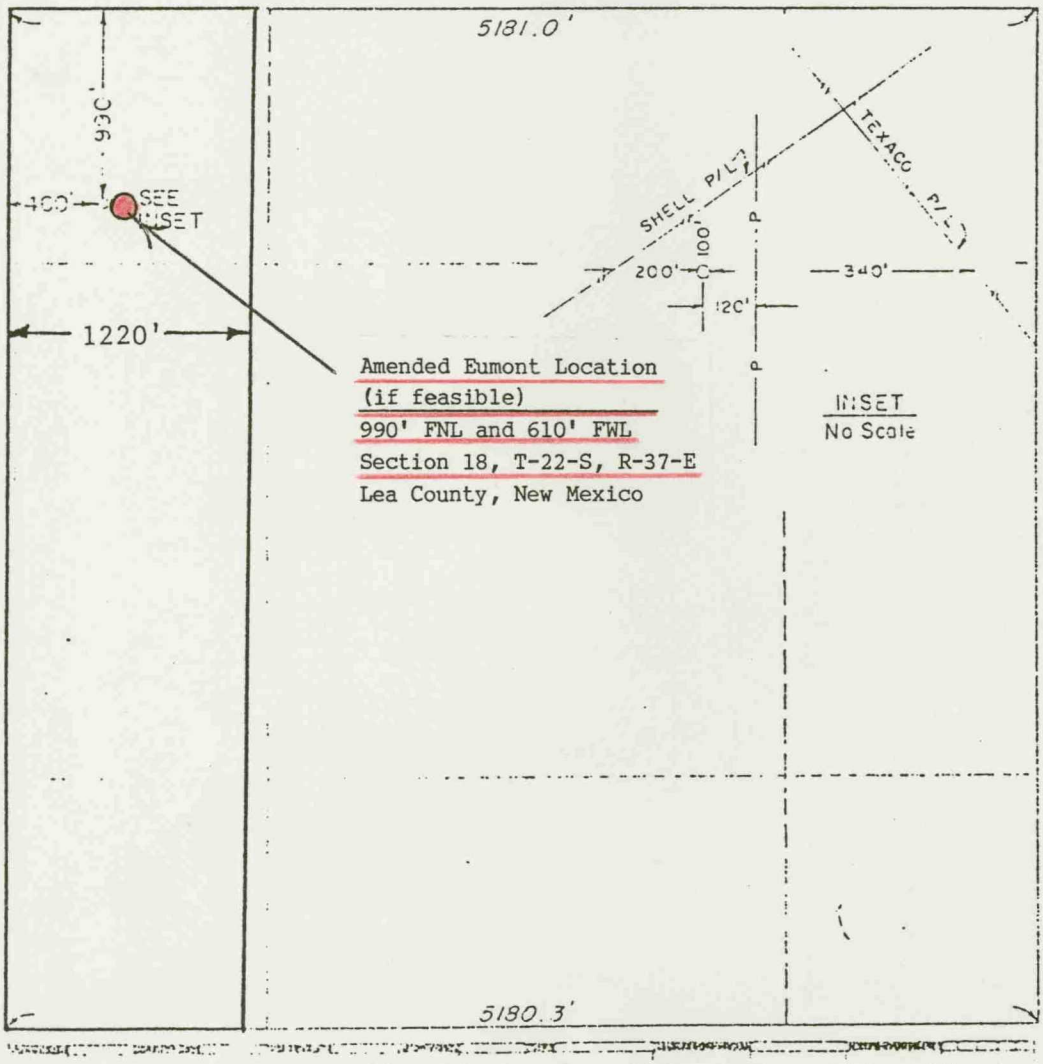
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forced-pooling, etc.?

Yes No If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Signature

Printed Name
Michael Stewart

Position
Engineer

Company
Doyle Hartman, Oil Operator

Date
7-26-89

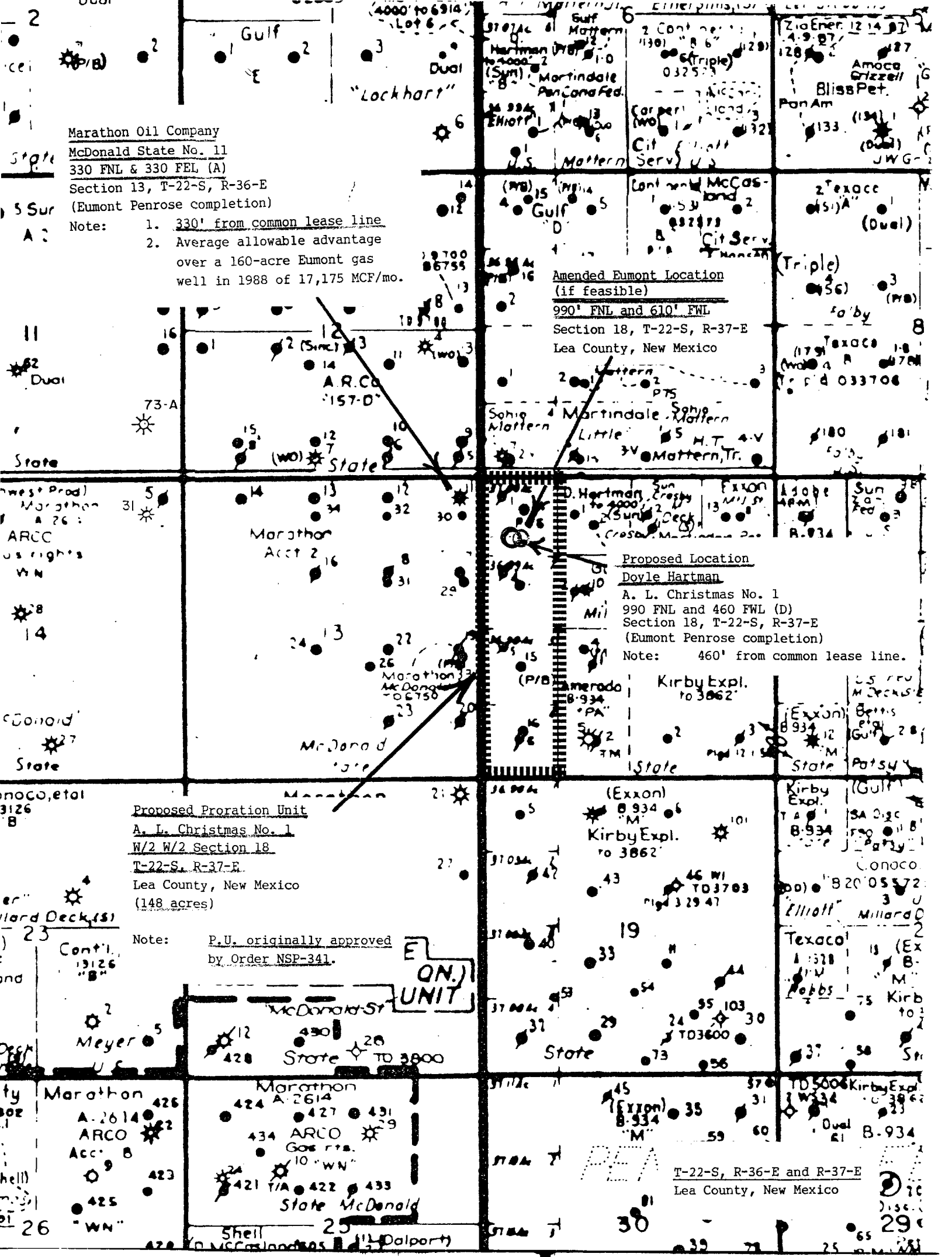
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 25, 1989

Signature & Seal of Professional Surveyor

REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR
NO. 7977
JOHN W. WEST
RONALD J. EIDSON
NEW MEXICO
JOHN W. WEST


Marathon Oil Company
McDonald State No. 11
330 FNL & 330 FEL (A)
Section 13, T-22-S, R-36-E
(Eumont Penrose completion)
Note: 1. 330' from common lease line
2. Average allowable advantage over a 160-acre Eumont gas well in 1988 of 17,175 MCF/mo.
Amended Eumont Location
(if feasible)
990' FNL and 610' FWL
Section 18, T-22-S, R-37-E
Lea County, New Mexico
Proposed Location
Doyle Hartman
A. L. Christmas No. 1
990 FNL and 460 FWL (D)
Section 18, T-22-S, R-37-E
(Eumont Penrose completion)
Note: 460' from common lease line.
Proposed Proration Unit
A. L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County, New Mexico
(148 acres)
Note: P.U. originally approved by Order NSP-341.
UNIT
T-22-S, R-36-E and R-37-E
Lea County, New Mexico

COMPANY Doyle Hartman

WELL A.L. Christmas No. 1 (Proposed well)

FIELD Eumont Gas Pool

LOCATION 990' FNL & 460' FWL (D) Section 18, T-22-S, R-37-E

Log from A.L. Christmas No. 14 in D-18-22S-37E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB DF GL

COMPANY Marathon

WELL Mc Donald State AC-2 No. 11

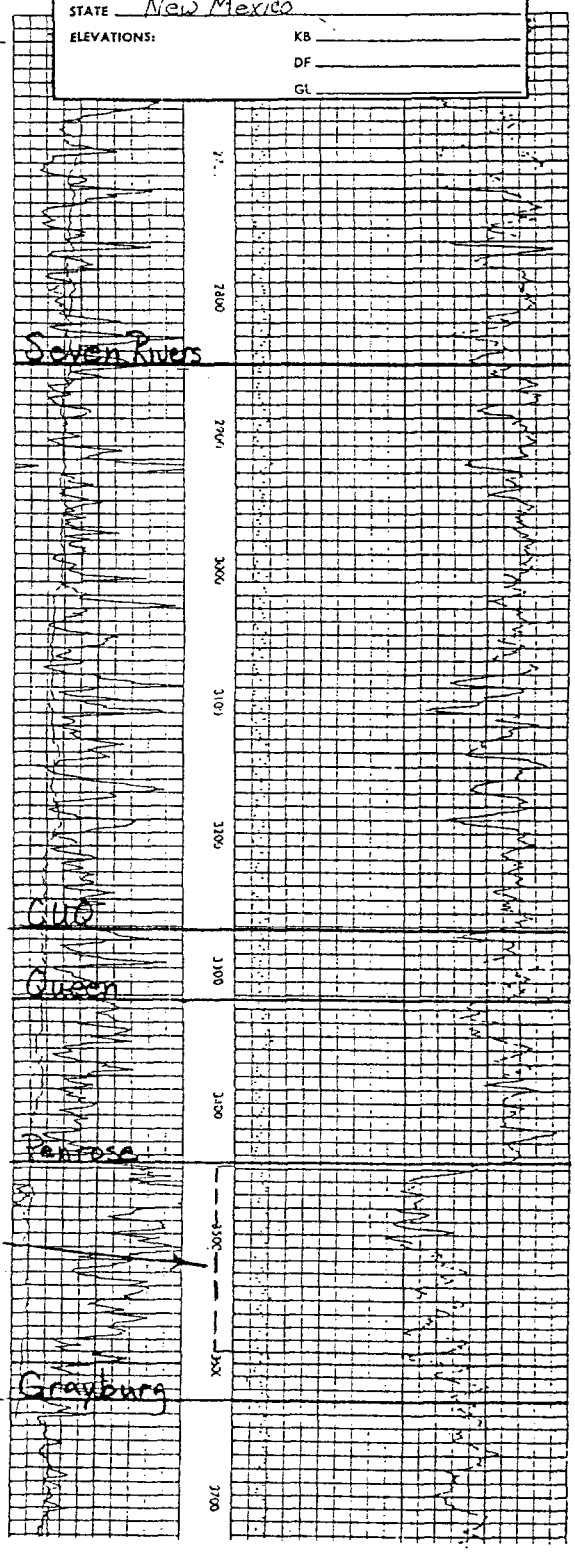
FIELD Eumont Gas / Arrowhead Oil

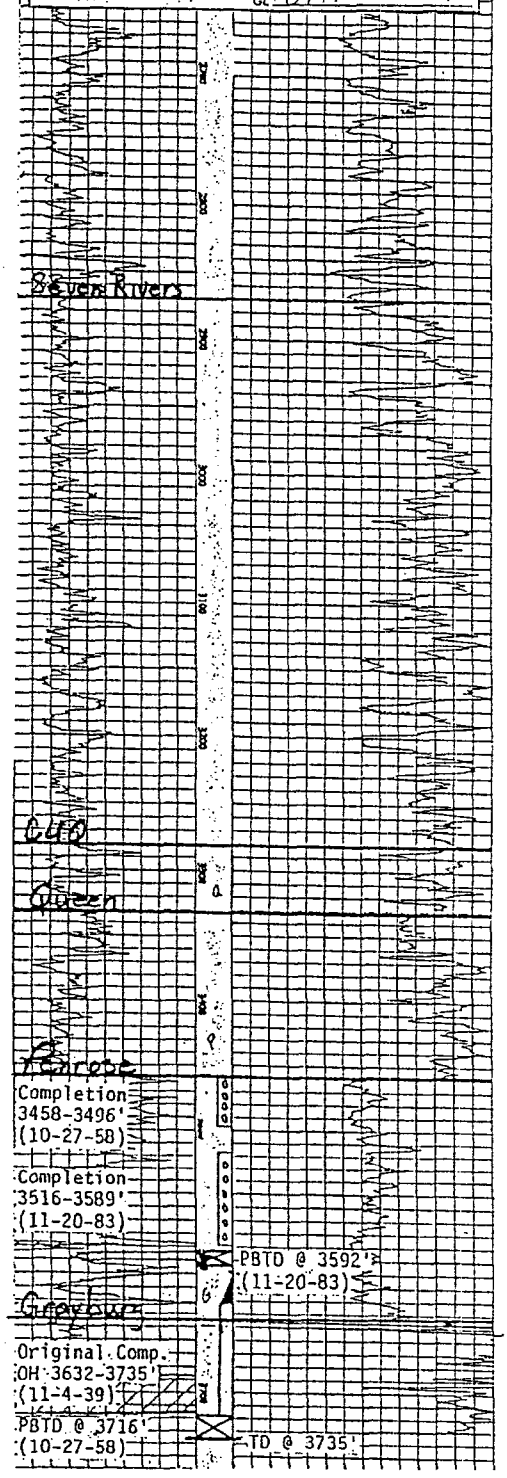
LOCATION 330 FNL & 330 FEL (A) Section 13, T-22-S, R-36-E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB DF 3452 GL 3441





EUMONT POOL

DOYLE HARTMAN
A.L. CHRISTMAS NO. 1
ANTICIPATED COMPLETION

RULE 2(a). A standard GPU in the Crosby-Devonian Gas Pool shall be 160 acres.

RULE 2(b). Each well completed or recompleted in the Crosby-Devonian Gas Pool shall be located no closer than 660 feet to any outer boundary of the proration unit nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Crosby-Devonian Gas Pool.

SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL

The Eumont Gas Pool, Lea County, New Mexico, was created February 17, 1953, and gas proration in this pool became effective January 1, 1954. The Eumont Gas Pool now includes portions of the acreage once included in the Jalco and Langmat Pools (now Jalmat) and all of the acreage formerly in the Arrow and Hardy Pools.

A. DEFINITIONS

THE VERTICAL LIMITS of the Eumont Gas Pool shall extend from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers, and Queen formations.

A GAS WELL in the Eumont Gas Pool shall be a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil.

AN OIL WELL in the Eumont Gas Pool shall be a well producing from the vertical limits of the pool and not classified as a gas well as defined above.

THE LIMITING GAS-OIL RATIO for oil wells in the Eumont Gas Pool shall be 10,000 cubic feet of gas per barrel of oil.

B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a) 1. A standard gas proration unit in the Eumont Gas Pool shall be 640 acres.

2. A standard oil proration unit in the Eumont Gas Pool shall be 40 acres.

RULE 2(b) 1. A gas well in the Eumont Gas Pool to which 640 acres is dedicated shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section or subdivision boundary line.

2. An oil well in the Eumont Gas Pool shall be located no nearer than 330 feet to the outer boundary of any governmental quarter-quarter section or subdivision boundary line.

(Any well drilled to and producing from the Eumont Gas Pool prior to August 12, 1954, at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.)

RULE 2(b) 4. In establishing a non-standard gas proration unit in the Eumont Gas Pool, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

LOCATION	MAXIMUM ACREAGE
660-610 (equivalent orthodox)	147.96 acres (rectangular
660-660	160 acres
660-990	320 acres
990-990	600 acres

D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Eumont Gas Pool.

(a) A 640 acre proration unit in the Eumont Gas Pool shall be assigned an Acreage Factor of 4.00; a 160 acre proration unit an Acreage Factor of 1.00, etc.

I. MISCELLANEOUS SPECIAL POOL RULES

RULE 26. Oil wells in the Eumont Gas Pool shall receive oil and casinghead gas allowables as provided in Rules 503, 505, and 506 of the Division Rules and Regulations.

SPECIAL RULES AND REGULATIONS FOR THE

DUPLICATE

NEW MEXICO OIL CONSERVATION COMMISSION

P. O. BOX 2045

HOBBS, NEW MEXICO

Date Jan. 18, 1957

To:

Gulf Oil Corp.

Box 2167

Hobbs, New Mex.

Re: Gas Wells

This is:

A New Gas Well	( )
An oil well converted to gas	( )
An Oil-Gas Dual	(X)
A Gas-Gas Dual	( )

Gentlemen:

Form C-104 has been received on your A. L. Christmas "C" #5-L 18-22-37 ,
Lease and Well No. Unit S-T-R

[ ]

But no allowable can be assigned this well until the following forms have been received:

Form C-110 _____

Plat _____

NSP Order _____

Affidavit of communitization _____

Notice of Connection _____

[X]

And a 148 acre allowable will be assigned in the Eumont Pool under NSP Order No. 341.

Filed 10/31/56

Filed 10/31/56

Application filed 12/19/56

Filed Not Needed

Date of connection 1/12/57

OIL CONSERVATION COMMISSION

E. J. Fischer

Engineer, District 1

Original-Operator
CC-File

Original-CCC, Santa Fe
CC-File, operator &
Transporter- PB

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

HOBBS OFFICE

Date 10-30-56

Operator Gulf Oil Corporation Lease A. L. Christmas NCT-C

1956 OCT 31 AM 10:13

Well No. 5 Section 18 Township 22-S Range 37-E NMPM

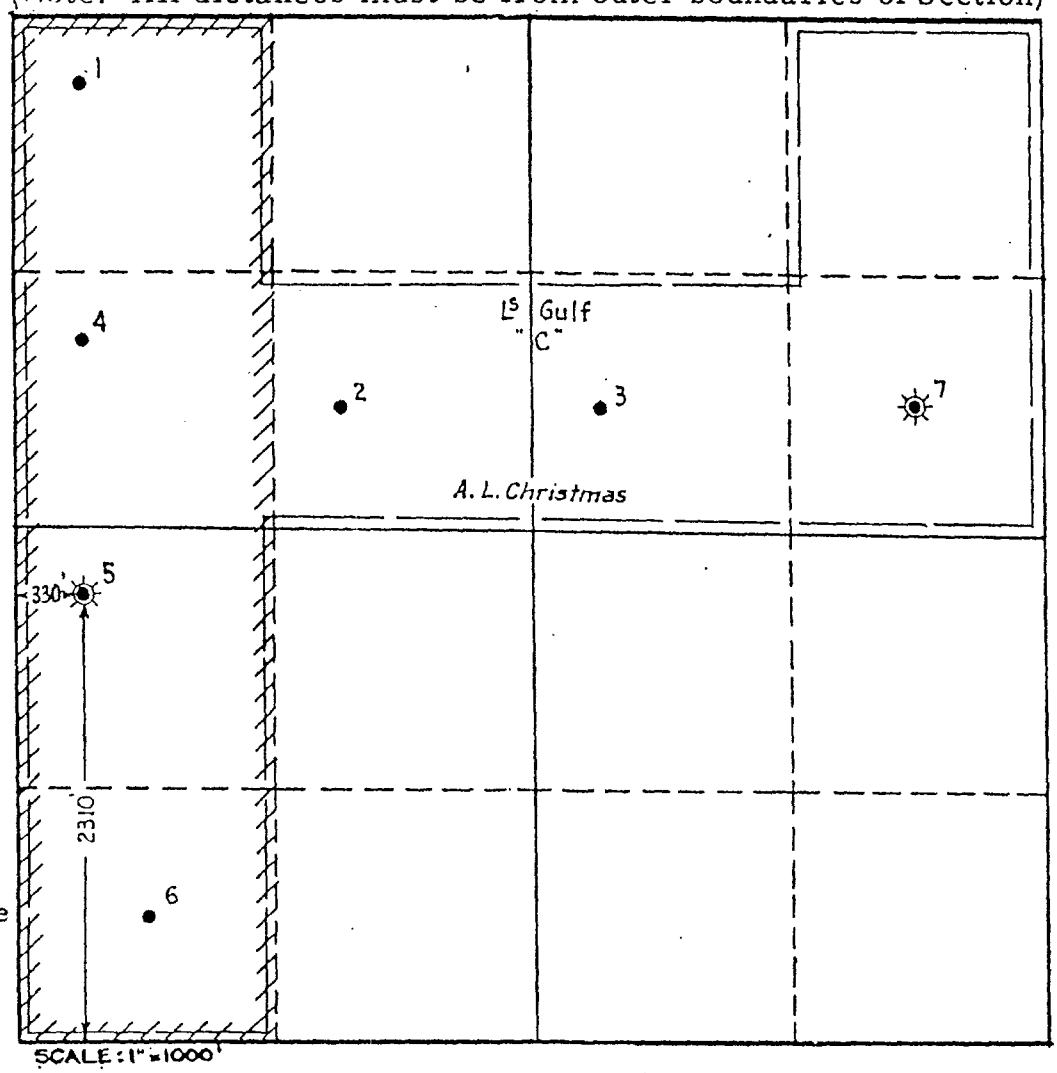
Located 330 Feet From West Line, 2,310 Feet From South Line,

Lea County, New Mexico. G. L. Elevation 3,450

Name of Producing Formation Queen Pool Eumont Gas Dedicated Acreage 160*

(Note: All distances must be from outer boundaries of Section)

*Hearing for a non-standard ga proration unit will be request



- Oil Well
- Dual (Gas-Oil)
- Lease Line
- Acreage Dedicated

. Is this Well a Dual Comp.? Yes X No ___.

. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes ___ No X.

Name J. R. Sherman

Position Division Gas Engineer

Representing Gulf Oil Corporation

Address P. O. Box 1290, Fort Worth, Texas

This is to certify that the above plat was prepared from field notes of actual surve made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed ___

Registered Professional Engineer and Land Surveyor

DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011

July 27, 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Victor T. Lyons
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: A. L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County, New Mexico
(148-acre proration unit)
1. Non-Standard Proration Unit
2. Unorthodox Location
3. Notice of Section 103
Infill Application

Gentlemen:

We are in the process of filing Forms C-101 and C-102 with the Oil Conservation Division District I Office for permission to drill our newly proposed A. L. Christmas No. 1 well as an infill Eumont (Gas) well at a non-standard Eumont (Gas) location consisting of 990' FNL & 460' FWL (D), Section 18, T-22-S, R-37-E, Lea County, New Mexico.

We hereby request administrative approval for reactivation of the previously approved 148-acre Eumont (gas) non-standard proration unit consisting of the W/2 W/2 Section 18, T-22-S, R-37-E, Lea County, New Mexico, which was previously dedicated to Gulf Oil Company's now abandoned A. L. Christmas "C" No. 5, situated in L-18-22S-37E, and which will now be dedicated to the proposed A. L. Christmas No. 1 well (D-18-22S-37E). The existing 148-acre non-standard proration unit was dedicated to the A. L. Christmas "C" No. 5 after a Commission hearing in 1956 by OCD Order NSP-341.

We are also requesting approval of an unorthodox Eumont (gas) location consisting of 990' FNL & 460' FWL (D) because of the existence of various surface obstructions as discussed in detail below:

1. The 148-acre non-standard proration unit consisting of the W/2 W/2 Section 18 contains four (4) contiguous lots instead of four (4) contiguous 40-acre tracts and therefore, the width of the existing proration unit is 1220' instead of the standard 1320' for a full 40-acre square.

In light of the rectangular shape of the existing proration unit and the fact that the width of the proration unit is only 1220' wide, it is therefore impossible to simultaneously drill a well 660' from both the east and west lease lines of the proration unit.

2. Each of the lots comprising the W/2 W/2 Section 18 contains two (2) previously existing wellbores (some of which are currently producing and several of which are now abandoned, but nevertheless restricting the number of locations available for a new well).

3. A high voltage power line located approximately 600' FWL of Section 18 runs essentially north and south through the center of the W/2 W/2 Section 18. The high voltage power line (and the safety aspects associated therewith) becomes a major hindrance to placing a well along the center-line of the subject proration unit. Chevron (Gulf), in the past and apparently in the interest of safety, has placed its A. L. Christmas "C" wells approximately 150' away from the power line.

4. Texaco has a pipeline that crosses Unit D diagonally from northwest to southeast and essentially crosses over the location consisting of 990' FNL and 800' FWL of Section 18. Furthermore, Shell also has a pipeline that crosses Unit D from southwest to northeast approximately 100' northwest of our proposed infill location.

Due to a combination of the geometry of the existing 148-acre proration unit, (including a width of only 1220'), the existence of numerous wellbores, a high-voltage power line, the necessary drilling rig layout, and the proximity to two pipelines, the proposed location of 990' FNL & 460' FWL Section 18 appears to be a safe and reasonable location for the proposed infill well.

Furthermore, if the proposed well is completed as a commercial producer and in compliance with any currently applicable requirements of the Natural Gas Policy Act of 1978, an application if required will be submitted to the New Mexico Oil Conservation Division to obtain administrative approval for the well as a Section 103 infill well.

Three copies of a color-coded land map outlining the previously approved 148-acre Eumont (Gas) proration unit (NSP-341) as well as the proposed location of our A. L. Christmas No. 1 infill well are enclosed for your review. Supplementing the enclosed color-coded land plat is a companion table describing by tract number and color all Eumont (gas) proration units (including the operators of the Eumont gas rights) that offset the proposed A. L. Christmas No. 1 infill well. Also included on the companion table are Marathon's McDonald State A/C 2 No. 11 (A-13-22S-36E) and No. 26 (J-13-22S-36E)wells, both of which are high GOR Eumont casinghead wells that produce from the Eumont (Penrose) gas interval.

Complete copies of this application have also been sent by certified mail to

all offsetting parties owning Eumont (Gas) rights as described on the enclosed plat and table. The following is a list of the offsetting Eumont (Gas) operators:

Presidio Exploration, Inc.
5613 DTC Parkway, Suite 750
Englewood, Colorado 80111-3035

Meridian Oil, Inc.
#6 Desta Drive
Midland, Texas 79701

Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Attention: Mr. Alan W. Bohling
Division Proration Engineer

Amerada Hess Corporation
Post Office Box 840
Seminole, Texas 79360

Attention: Mr. Gilbert E. Miller

Kirby Exploration of Texas
Post Office Box 1745
Houston, Texas 77251

ARCO Oil and Gas Co.
Post Office Box 1610
Midland, Texas 79702

Attention: Mr. Craig Payken
Area Engineer

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Attention: Mr. Clifford A. Miller
District Engineer

Thank you for your consideration in this matter.

Very truly yours,

DOYLE HARTMAN

Michael Stewart
Engineer

MS/mw
Enclosure

cc: New Mexico Oil Conservation Division
District I Office
Post Office Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Mr. J. E. Gallegos
Gallegos Law Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501

Mr. Daniel S. Nutter
105 E. Alicante
Santa Fe, New Mexico 87501

Mr. William P. Aycock
1207 W. Wall
Midland, Texas 79701

Mr. Harold Swain
Doyle Hartman, Oil Operator
Post Office Drawer M
Jal, New Mexico 88252

Chevron USA, Inc.
Post Office Box 670
Hobbs, New Mexico 88240

Attention: Mr. J. C. Prindle
Joint Venture Coordinator

DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011

August 10, 1989

CERTIFIED, RETURN RECEIPT REQUESTED

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attention: Mr. Kent Craig

Re: Doyle Hartman's
Proposed Infill Well
A.L. Christmas No.1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Reference is made to our letter to the New Mexico Oil Conservation Division dated July 27, 1989 (copy enclosed) wherein we requested reinstatement of the 148-acre Eumont proration unit consisting of the W/2 W/2 Section 18, T-22-S, R-37-E, which was previously approved by the NMOCD under Order NSP-341 and was originally dedicated to Chevron's (Gulf's) A.L. Christmas "C" No. 5 well located 2310' FSL and 330' FWL of Section 18, T-22-S, R-37-E. In our letter to the NMOCD of July 27, 1989, we also requested approval for an unorthodox location for our proposed A.L. Christmas No. 1 infill Eumont gas well and gave a detailed explanation for our request.

Today, you talked with Mike Stewart of our office about our application for an unorthodox location and implied that we should move the existing high voltage powerline that runs north-south along the centerline of the W/2 W/2 Section 18, T-22-S, R-37-E so that our proposed A.L. Christmas can be drilled along the centerline of the W/2 W/2 Section 18. Like Marathon, it is also our opinion that a high voltage powerline should not have been built at a location that prohibits the drilling of new wells at orthodox well locations as per the rules and regulations of the NMOCD; but the powerline in question is now in place and futhermore, it does not belong to us.

Because of the geometry of the subject 148-acre proration unit, if a well cannot be drilled along the centerline of the W/2 W/2

Section 18, it then becomes necessary to move the proposed location in either an easterly or westerly direction which means that a well must be drilled closer than 610 feet from the east or west lease lines of the A.L. Christmas lease. The width of the W/2 W/2 Section 18 is 1220 feet and therefore, the centerline of the W/2 W/2 Section 18 is 610 feet from the east and west lease lines.

We are also enclosing for your review an acreage ownership plat depicting the proposed location for our A.L. Christmas No. 1 located in D-18-22S-37E as well as the location of Marathon's existing McDonald State No. 11 located in A-13-22S-36E. As you can see from the enclosed plat, your McDonald State No. 11 is situated 330 feet from the common lease line separating our two leases whereas our proposed location is situated 460 feet from the same lease line.

A review of the enclosed geologic cross-section shows that both your McDonald State No. 11 and our proposed A.L. Christmas No. 1 (once completed) will have completion intervals consisting of the Eumont Penrose interval. However, because the McDonald State No. 11 is classified as a Eumont oil well, the subject well is entitled to a daily casinghead allowable of 800 MCFPD. Based on an average daily allowable for a 160-acre Eumont gas well for the year 1988 of 237 MCFPD, a Eumont oil well in 1988 was entitled to an allowable that was 14.9 times greater, on an acreage basis, than a Eumont gas well producing from the very same zone.

We believe that the NMOCD's definition of correlative rights implies that an operator should be afforded the opportunity to produce his fair share of the reserves from a reservoir so long as that operator is willing to avail himself of the opportunity. Marathon's McDonald State No. 11 well is a Eumont Penrose producer that is situated 130 feet closer to the common lease line between our leases than we are proposing for our A.L. Christmas No. 1. Marathon's McDonald State No. 11 also has a substantial allowable advantage over our proposed A.L. Christmas No. 1 Eumont gas well being that the McDonald State No. 11 is classifed as a casinghead well and is entitled to an allowable of 800 MCFPD/well. Surely Marathon is not suggesting at this time that our proposed A.L. Christmas No. 1 should receive an additional allowable penalty over and above the penalty that it will already suffer relative to the McDonald State No. 11 because of the existing high voltage line that runs north and south along the centerline of the W/2 W/2 Section 18, T-22-S, R-37-E.

Since the proposed A.L. Christmas No. 1 is being drilled on a farmout from Chevron and time is of the essence in commencing the subject well due to a previously agreed-to farmout deadline, we repectfully request that you promptly approve and return our

application of July 27, 1989. If we can be of any further assistance to you in this matter, please let us know.

Very truly yours,

Doyle Hartman

DH/ps
Enclosures

cc: Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attention: Mr. John F. Strong
Mid-Continent Manager

Chevron USA Inc.
Post Office Box 1150
Midland, Texas 79702
Attention: Mr. Alan W. Bohling
Division Proration Engineer

Chevron USA Inc.
Post Office Box 670
Hobbs, New Mexico 88240
Attention: Mr. R.C. Anderson

Mr. Victor T. Lyons
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501
Attention: Mr. J. E. Gallegos

Mr. Daniel S. Nutter
105 E. Alicante
Sante Fe, New Mexico 87501

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702

Mr. James E. Burr
2505 Emerson Drive
Midland, Texas 79705

Ms. Ruth Sutton
2826 Moss
Midland, Texas 79705

Mr. Larry Nermyr
Post Office Box 4106
Sidney, Montana 59270

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 17, 1989

Doyle Hartman
P.O. Box 10426
Midland, TX 79702

RE: A.L. Christmas Well No. 1

Dear Mr. Hartman:

This is to confirm our telephone conversation today concerning the objection to this well location by Marathon Oil Company (see attached FAX transmittal sheet), this matter will be set on the next available hearing docket scheduled for September 20, 1989.

If you should have any questions, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Marathon Oil Company

Mid-Continent Region
Production United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

PANAFAX TRANSMITTAL SHEET

SEND THE FOLLOWING PAGES TO:

NAME Victor T. Lyons

COMPANY NAME New Mexico Oil Conservation Division

LOCATION Santa Fe, NM 87501

PANAFAX NUMBER: 505-827-5741

FROM:

NAME Steve Daniels Marathon Oil Co. EXT. 915-687-8308

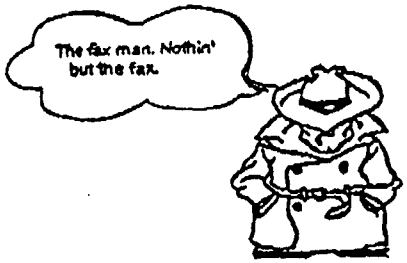
TOTAL NUMBER OF PAGES: 2 (including cover sheet)

IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL BACK ASAP

PHONE 915-687-8322 (Mary K. Carr)

COMMENTS

( ) PLEASE CHECK IF THIS MATERIAL IS NOT TO BE RETURNED TO YOU.



A subsidiary of USX Corporation

Mid-Continent Region
Exploration United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

August 16, 1989

New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

AIRBORNE OVERNIGHT DELIVERY

Attention: Mr. Victor T. Lyons

Re: Doyle Hartman's Application for Unorthodox Well Location
Our Lease NM-106 - McDonald State Lease A-2614
All of Section 13, T-22-S, R-36-E,
Our South Eunice Area
Lea County, New Mexico

Gentlemen:

Reference is made to Doyle Hartman's (Hartman) July 27, 1989, Application for Administrative Approval for an unorthodox location for a Eumont (Gas) well at a non-standard Eumont (Gas) location of 990' FNL and 460' FWL of Section 18, T-22-S, R-37-E, N.M.P.M., Lea County, New Mexico.

Please be advised that upon review of Hartman's Application, Marathon is not opposed to said unorthodox location provided that a 30% penalty is imposed on the allowable for said well.

Should you have any questions concerning the above, please advise.

Very truly yours,

MARATHON OIL COMPANY

C. R. Hubacher
District Engineer

CRH/SMD;mmc

xc: Mr. S. C. Schraub
Mr. J. L. Benson
Mr. L. D. Garcia
Doyle Hartman
P. O. Box 10426
Midland, Texas 79702-0426
Attn: Mr. Michael Stewart

A subsidiary of USX Corporation

An Equal Opportunity Employer

Mid-Continent Region
Exploration United States

Marathon Oil Company

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

August 16, 1989

New Mexico Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

AIRBORNE OVERNIGHT DELIVERY

Attention: Mr. Victor T. Lyons

Re: Doyle Hartman's Application for Unorthodox Well Location
Our Lease NM-106 - McDonald State Lease A-2614
All of Section 13, T-22-S, R-36-E,
Our South Eunice Area
Lea County, New Mexico

Gentlemen:

Reference is made to Doyle Hartman's (Hartman) July 27, 1989, Application for Administrative Approval for an unorthodox location for a Eumont (Gas) well at a non-standard Eumont (Gas) location of 990' FNL and 460' FWL of Section 18, T-22-S, R-37-E, N.M.P.M., Lea County, New Mexico.

Please be advised that upon review of Hartman's Application, Marathon is not opposed to said unorthodox location provided that a 30% penalty is imposed on the allowable for said well.

Should you have any questions concerning the above, please advise.

Very truly yours,

MARATHON OIL COMPANY

C. R. Hubacher

C. R. Hubacher
District Engineer

CRH/SMD;mmc'

xc: Mr. S. C. Schraub
Mr. J. L. Benson
Mr. L. D. Garcia
Doyle Hartman
P. O. Box 10426
Midland, Texas 79702-0426
Attn: Mr. Michael Stewart

DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011

August 10, 1989

RECEIVED
AUG 14 1989
OIL CONSERVATION DIV.
SANTA FE

CERTIFIED, RETURN RECEIPT REQUESTED

Case 9766

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attention: Mr. Kent Craig

Re: Doyle Hartman's
Proposed Infill Well
A.L. Christmas No.1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Reference is made to our letter to the New Mexico Oil Conservation Division dated July 27, 1989 (copy enclosed) wherein we requested reinstatement of the 148-acre Eumont proration unit consisting of the W/2 W/2 Section 18, T-22-S, R-37-E, which was previously approved by the NMOCD under Order NSP-341 and was originally dedicated to Chevron's (Gulf's) A.L. Christmas "C" No. 5 well located 2310' FSL and 330' FWL of Section 18, T-22-S, R-37-E. In our letter to the NMOCD of July 27, 1989, we also requested approval for an unorthodox location for our proposed A.L. Christmas No. 1 infill Eumont gas well and gave a detailed explanation for our request.

Today, you talked with Mike Stewart of our office about our application for an unorthodox location and implied that we should move the existing high voltage powerline that runs north-south along the centerline of the W/2 W/2 Section 18, T-22-S, R-37-E so that our proposed A.L. Christmas can be drilled along the centerline of the W/2 W/2 Section 18. Like Marathon, it is also our opinion that a high voltage powerline should not have been built at a location that prohibits the drilling of new wells at orthodox well locations as per the rules and regulations of the NMOCD; but the powerline in question is now in place and futhermore, it does not belong to us.

Because of the geometry of the subject 148-acre proration unit, if a well cannot be drilled along the centerline of the W/2 W/2

Section 18, it then becomes necessary to move the proposed location in either an easterly or westerly direction which means that a well must be drilled closer than 610 feet from the east or west lease lines of the A.L. Christmas lease. The width of the W/2 W/2 Section 18 is 1220 feet and therefore, the centerline of the W/2 W/2 Section 18 is 610 feet from the east and west lease lines.

We are also enclosing for your review an acreage ownership plat depicting the proposed location for our A.L. Christmas No. 1 located in D-18-22S-37E as well as the location of Marathon's existing McDonald State No. 11 located in A-13-22S-36E. As you can see from the enclosed plat, your McDonald State No. 11 is situated 330 feet from the common lease line separating our two leases whereas our proposed location is situated 460 feet from the same lease line.

A review of the enclosed geologic cross-section shows that both your McDonald State No. 11 and our proposed A.L. Christmas No. 1 (once completed) will have completion intervals consisting of the Eumont Penrose interval. However, because the McDonald State No. 11 is classified as a Eumont oil well, the subject well is entitled to a daily casinghead allowable of 800 MCFPD. Based on an average daily allowable for a 160-acre Eumont gas well for the year 1988 of 237 MCFPD, a Eumont oil well in 1988 was entitled to an allowable that was 14.9 times greater, on an acreage basis, than a Eumont gas well producing from the very same zone.

We believe that the NMOCD's definition of correlative rights implies that an operator should be afforded the opportunity to produce his fair share of the reserves from a reservoir so long as that operator is willing to avail himself of the opportunity. Marathon's McDonald State No. 11 well is a Eumont Penrose producer that is situated 130 feet closer to the common lease line between our leases than we are proposing for our A.L. Christmas No. 1. Marathon's McDonald State No. 11 also has a substantial allowable advantage over our proposed A.L. Christmas No. 1 Eumont gas well being that the McDonald State No. 11 is classifed as a casinghead well and is entitled to an allowable of 800 MCFPD/well. Surely Marathon is not suggesting at this time that our proposed A.L. Christmas No. 1 should receive an additional allowable penalty over and above the penalty that it will already suffer relative to the McDonald State No. 11 because of the existing high voltage line that runs north and south along the centerline of the W/2 W/2 Section 18, T-22-S, R-37-E.

Since the proposed A.L. Christmas No. 1 is being drilled on a farmout from Chevron and time is of the essence in commencing the subject well due to a previously agreed-to farmout deadline, we repectfully request that you promptly approve and return our

application of July 27, 1989. If we can be of any further assistance to you in this matter, please let us know.

Very truly yours,

Doyle Hartman

DH/ps
Enclosures

cc: Marathon Oil Company
Post Office Box 552
Midland, Texas 79702
Attention: Mr. John F. Strong
Mid-Continent Manager

Chevron USA Inc.
Post Office Box 1150
Midland, Texas 79702
Attention: Mr. Alan W. Bohling
Division Proration Engineer

Chevron USA Inc.
Post Office Box 670
Hobbs, New Mexico 88240
Attention: Mr. R.C. Anderson

✓Mr. Victor T. Lyons
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501
Attention: Mr. J. E. Gallegos

Mr. Daniel S. Nutter
105 E. Alicante
Sante Fe, New Mexico 87501

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702

Mr. James E. Burr
2505 Emerson Drive
Midland, Texas 79705

Ms. Ruth Sutton
2826 Moss
Midland, Texas 79705

Mr. Larry Nermyr
Post Office Box 4106
Sidney, Montana 59270

TABLE OF CONTENTS

LETTER TO KENT CRAIG

MARATHON OIL COMPANY

DOYLE HARTMAN
Oil Operator
500 N. MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702
(915) 684-4011

July 27, 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Victor T. Lyons
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: A. L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County, New Mexico
(148-acre proration unit)
1. Non-Standard Proration Unit
2. Unorthodox Location
3. Notice of Section 103 Infill Application

Gentlemen:

We are in the process of filing Forms C-101 and C-102 with the Oil Conservation Division District I Office for permission to drill our newly proposed A. L. Christmas No. 1 well as an infill Eumont (Gas) well at a non-standard Eumont (Gas) location consisting of 990' FNL & 460' FWL (D), Section 18, T-22-S, R-37-E, Lea County, New Mexico.

We hereby request administrative approval for reactivation of the previously approved 148-acre Eumont (gas) non-standard proration unit consisting of the W/2 W/2 Section 18, T-22-S, R-37-E, Lea County, New Mexico, which was previously dedicated to Gulf Oil Company's now abandoned A. L. Christmas "C" No. 5, situated in L-18-22S-37E, and which will now be dedicated to the proposed A. L. Christmas No. 1 well (D-18-22S-37E). The existing 148-acre non-standard proration unit was dedicated to the A. L. Christmas "C" No. 5 after a Commission hearing in 1956 by OCD Order NSP-341.

We are also requesting approval of an unorthodox Eumont (gas) location consisting of 990' FNL & 460' FWL (D) because of the existence of various surface obstructions as discussed in detail below:

1. The 148-acre non-standard proration unit consisting of the W/2 W/2 Section 18 contains four (4) contiguous lots instead of four (4) contiguous 40-acre tracts and therefore, the width of the existing proration unit is 1220' instead of the standard 1320' for a full 40-acre square.

In light of the rectangular shape of the existing proration unit and the fact that the width of the proration unit is only 1220' wide, it is therefore impossible to simultaneously drill a well 660' from both the east and west lease lines of the proration unit.

2. Each of the lots comprising the W/2 W/2 Section 18 contains two (2) previously existing wellbores (some of which are currently producing and several of which are now abandoned, but nevertheless restricting the number of locations available for a new well).

3. A high voltage power line located approximately 600' FWL of Section 18 runs essentially north and south through the center of the W/2 W/2 Section 18. The high voltage power line (and the safety aspects associated therewith) becomes a major hindrance to placing a well along the center-line of the subject proration unit. Chevron (Gulf), in the past and apparently in the interest of safety, has placed its A. L. Christmas "C" wells approximately 150' away from the power line.

4. Texaco has a pipeline that crosses Unit D diagonally from northwest to southeast and essentially crosses over the location consisting of 990' FNL and 800' FWL of Section 18. Furthermore, Shell also has a pipeline that crosses Unit D from southwest to northeast approximately 100' northwest of our proposed infill location.

Due to a combination of the geometry of the existing 148-acre proration unit, (including a width of only 1220'), the existence of numerous wellbores, a high-voltage power line, the necessary drilling rig layout, and the proximity to two pipelines, the proposed location of 990' FNL & 460' FWL Section 18 appears to be a safe and reasonable location for the proposed infill well.

Furthermore, if the proposed well is completed as a commercial producer and in compliance with any currently applicable requirements of the Natural Gas Policy Act of 1978, an application if required will be submitted to the New Mexico Oil Conservation Division to obtain administrative approval for the well as a Section 103 infill well.

Three copies of a color-coded land map outlining the previously approved 148-acre Eumont (Gas) proration unit (NSP-341) as well as the proposed location of our A. L. Christmas No. 1 infill well are enclosed for your review. Supplementing the enclosed color-coded land plat is a companion table describing by tract number and color all Eumont (gas) proration units (including the operators of the Eumont gas rights) that offset the proposed A. L. Christmas No. 1 infill well. Also included on the companion table are Marathon's McDonald State A/C 2 No. 11 (A-13-22S-36E) and No. 26 (J-13-22S-36E)wells, both of which are high GOR Eumont casinghead wells that produce from the Eumont (Penrose) gas interval.

Complete copies of this application have also been sent by certified mail to

all offsetting parties owning Eumont (Gas) rights as described on the enclosed plat and table. The following is a list of the offsetting Eumont (Gas) operators:

Presidio Exploration, Inc.
5613 DTC Parkway, Suite 750
Englewood, Colorado 80111-3035

Meridian Oil, Inc.
#6 Desta Drive
Midland, Texas 79701

Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Attention: Mr. Alan W. Bohling
Division Proration Engineer

Amerada Hess Corporation
Post Office Box 840
Seminole, Texas 79360

Attention: Mr. Gilbert E. Miller

Kirby Exploration of Texas
Post Office Box 1745
Houston, Texas 77251

ARCO Oil and Gas Co.
Post Office Box 1610
Midland, Texas 79702

Attention: Mr. Craig Payken
Area Engineer

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Attention: Mr. Clifford A. Miller
District Engineer

Thank you for your consideration in this matter.

Very truly yours,

DOYLE HARTMAN

Michael Stewart
Engineer

MS/mw
Enclosure

cc: New Mexico Oil Conservation Division
District I Office
Post Office Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Mr. J. E. Gallegos
Gallegos Law Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501

Mr. Daniel S. Nutter
105 E. Alicante
Santa Fe, New Mexico 87501

Mr. William P. Aycock
1207 W. Wall
Midland, Texas 79701

Mr. Harold Swain
Doyle Hartman, Oil Operator
Post Office Drawer M
Jal, New Mexico 88252

Chevron USA, Inc.
Post Office Box 670
Hobbs, New Mexico 88240

Attention: Mr. J. C. Prindle
Joint Venture Coordinator

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
Doyle Hartman, Oil Operator	A.L. Christmas	1

Unit Letter	Section	Township	Range	County
D	18	22 South	37 East	NMPM Lea

Actual Footage Location of Well:

990 feet from the North line and 460 feet from the West line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3434.5	Queen (Penrose)	Eumont (Gas)	148 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

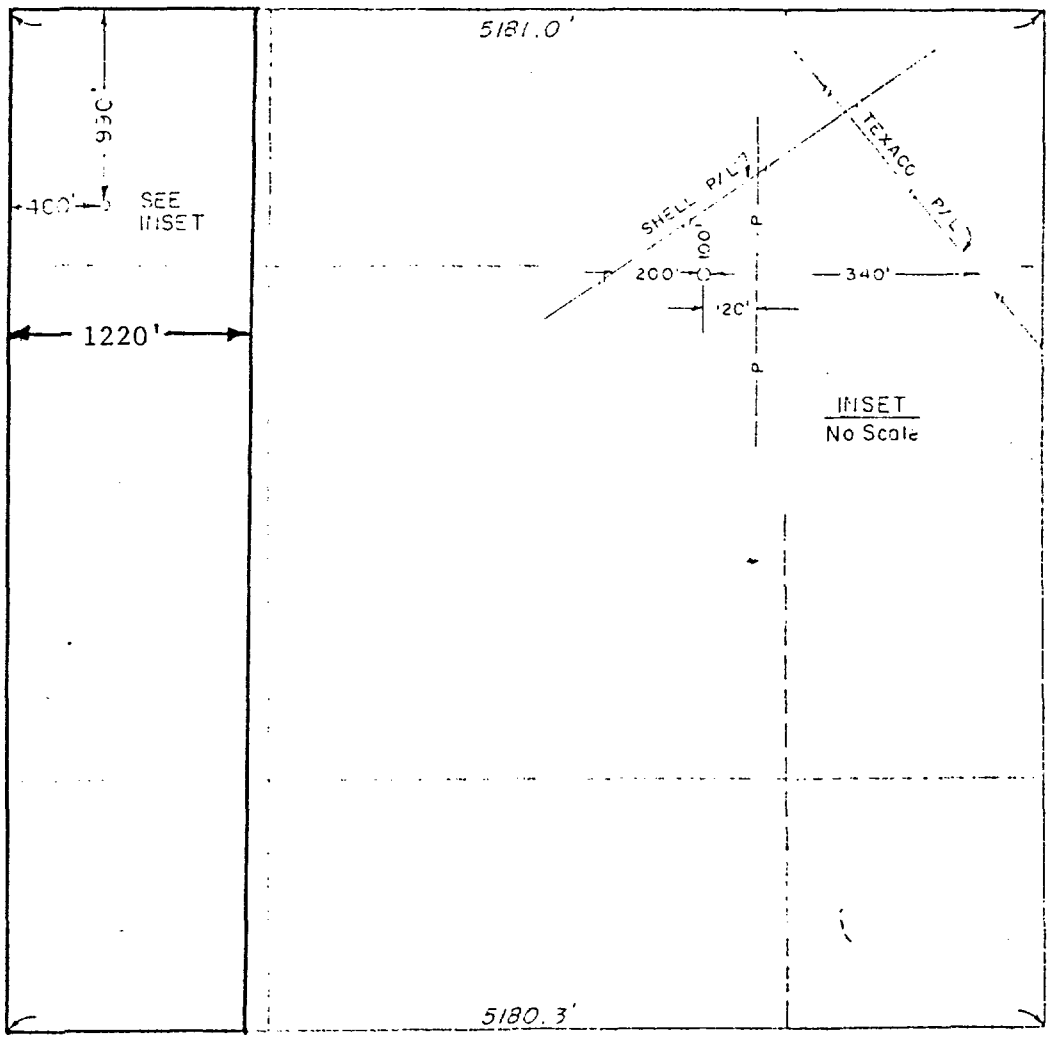
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name
Michael Stewart

Position
Engineer

Company
Doyle Hartman, Oil Operator

Date
7-26-89

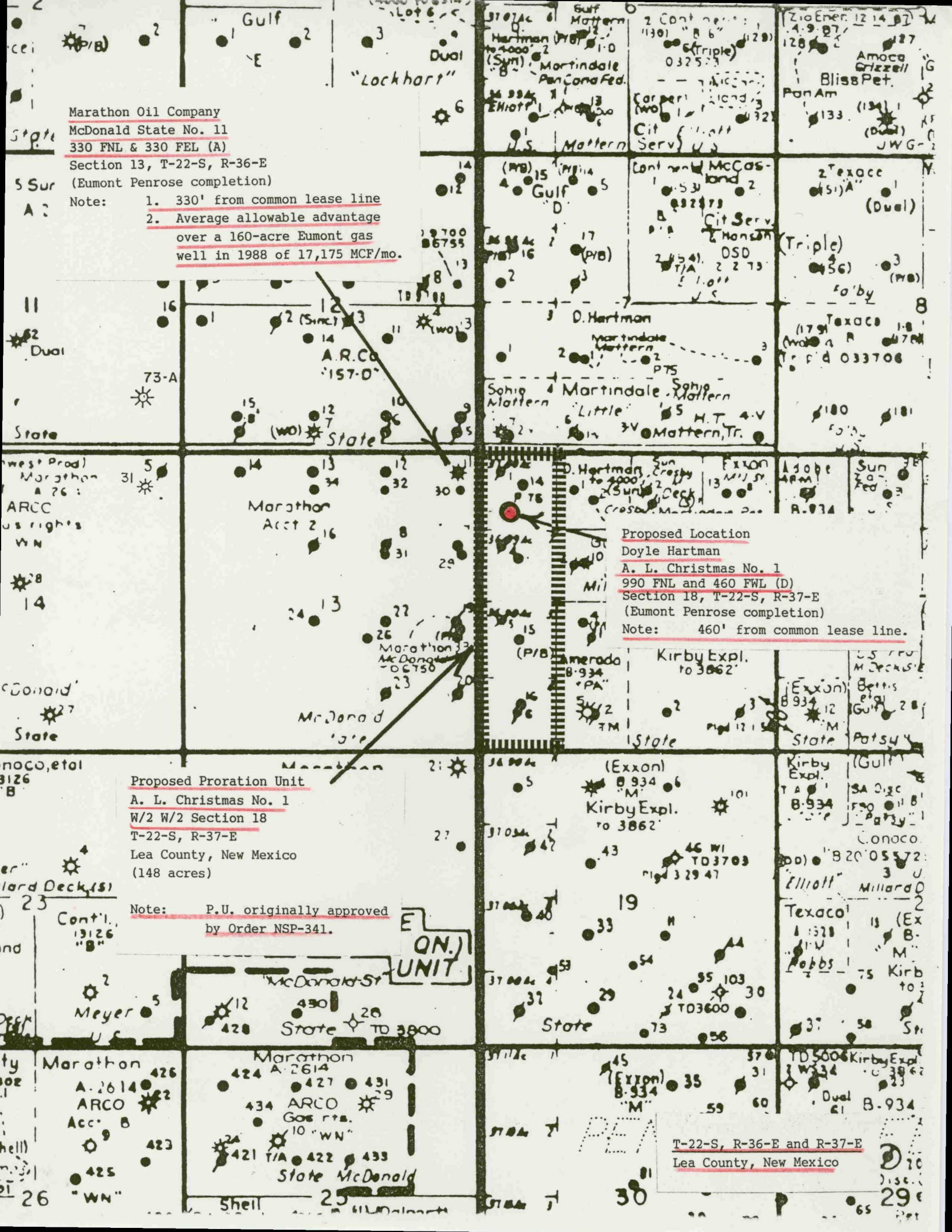
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 25, 1989

Signature & Seal of Professional Surveyor

REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR NO. JOHN W. WEST, RONALD J. EIDSON NEW MEXICO JOHN W. WEST


Marathon Oil Company
McDonald State No. 11
330 FNL & 330 FEL (A)
Section 13, T-22-S, R-36-E
(Eumont Penrose completion)
Note: 1. 330' from common lease line
2. Average allowable advantage over a 160-acre Eumont gas well in 1988 of 17,175 MCF/mo.
Proposed Location
Doyle Hartman
A. L. Christmas No. 1
990 FNL and 460 FWL (D)
Section 18, T-22-S, R-37-E
(Eumont Penrose completion)
Note: 460' from common lease line.
Proposed Proration Unit
A. L. Christmas No. 1
W/2 W/2 Section 18
T-22-S, R-37-E
Lea County, New Mexico
(148 acres)
Note: P.U. originally approved by Order NSP-341.
T-22-S, R-36-E and R-37-E
Lea County, New Mexico
Gulf
Dual
"Lockhart"
Mortindale
Pan Cond Fed.
Bliss Pet.
Pan Am
Cit Serv
Gulf
Texaco
D. Hartman
Martindale
Sohio
Martindale, Tr.
A.R.Co
"157-D"
Marathon
Acct 2
McDonald
Kirby Expl.
to 3862'
(Exxon)
Kirby Expl.
to 3862
State
McDonald St
UNIT
Meyer
Marathon
A-2614
ARCO
Acct B
ARCO
Gas rts.
State McDonald
Shell

COMPANY Doyle Hartman

WELL A.L. Christmas No. 1 (Proposed well)

FIELD Eumont Gas Pool

LOCATION 990' FNL & 460' FWL (D) Section 18, T-22-S, R-37-E

Log from A.L. Christmas No. 14 in D-18-22S-37E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB DF GL

COMPANY Marathon

WELL Mc Donald State AC-2 No. 11

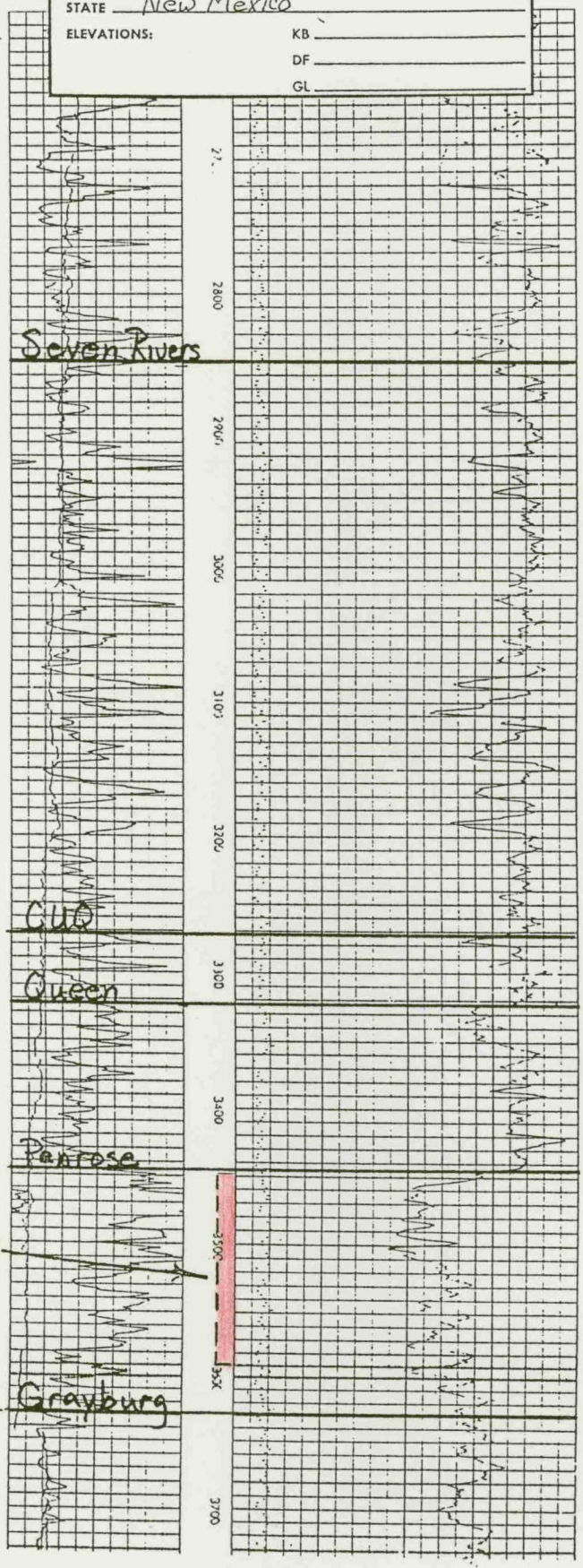
FIELD Eumont Gas / Arrowhead Oil

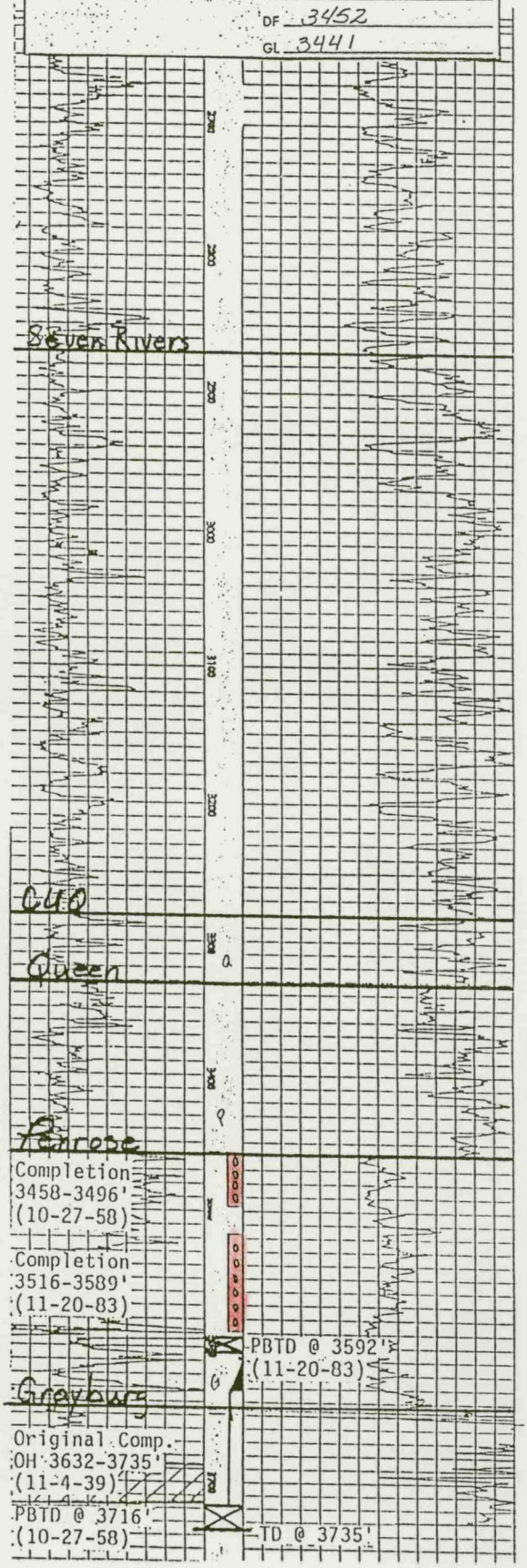
LOCATION 330 FNL & 330 FEL (A) Section 13, T-22-S, R-36-E

COUNTY Lea

STATE New Mexico

ELEVATIONS: KB DF 3452 GL 3441

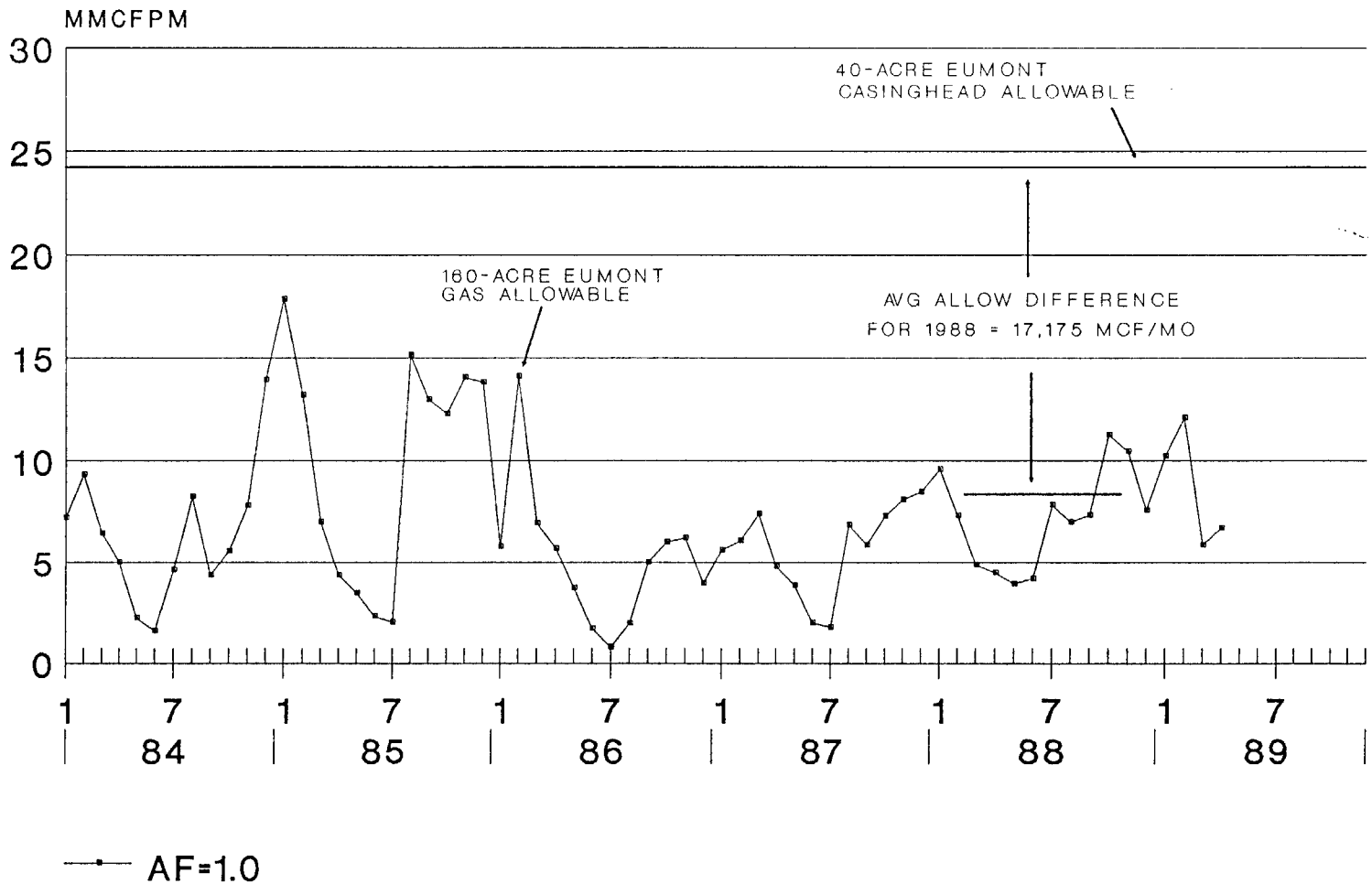




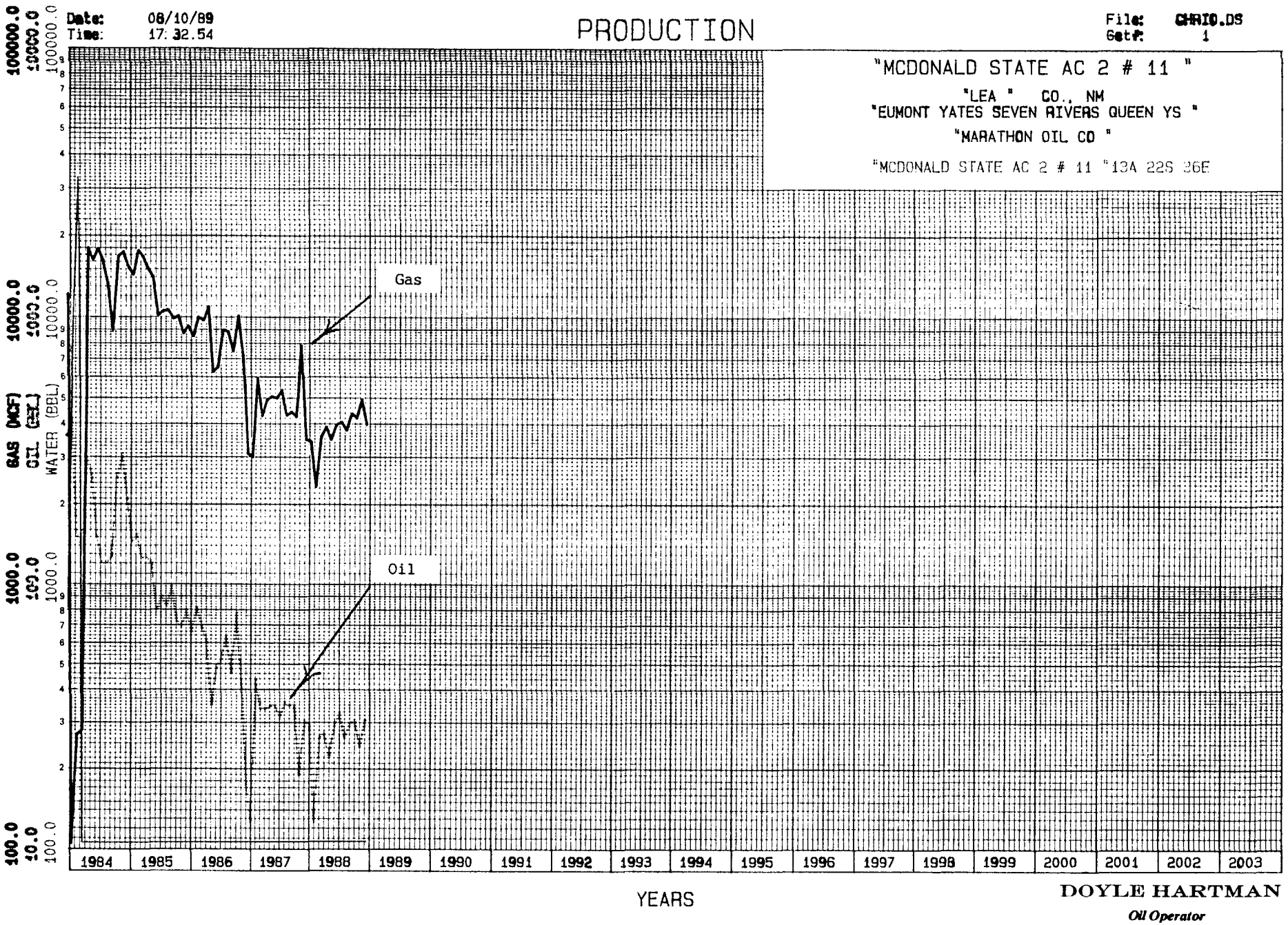
EUMONT POOL

DOYLE HARTMAN
A.L. CHRISTMAS NO. 1
ANTICIPATED COMPLETION

COMPARISON OF EUMONT ALLOWABLE (AF=1.0) VS. EUMONT CASINGHEAD ALLOW (40-AC.)



EUMONT/NOME



DOYLE HARTMAN
Oil Operator

DWIGHTS DATA DETAIL LISTING BY WELL
A.L. CHRISTMAS

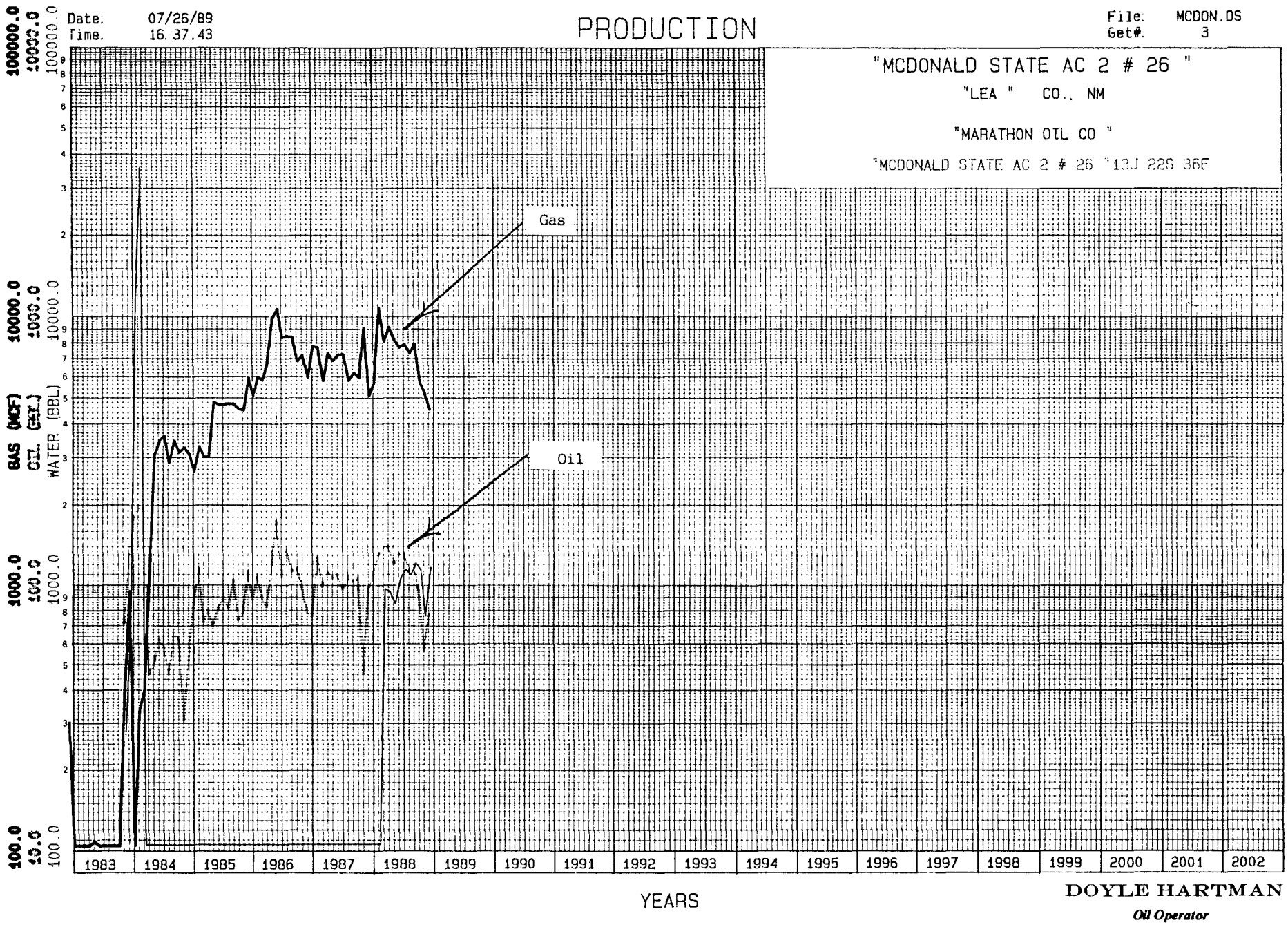
RUN DATE - 8/10/89
TIME - 17:25:58
USER/WS - SHEILA /F0
MENU/OPTION - DW01 / 01
PROC/LIBRARY - DWH003 /DUNLIB
PROGRAM - DWR105

ID	LOCN	D/C	LEASE	WELL#	COUNTY	POOL	API#	NM PU#	FIRST PROD	GAS COMBCD	TOT DEPTH	GRAVITY GAS	GAL LIQ	RATIO
30 222 S36E13A00TS	13A22S 36E	0	MCDONALD STATE AC 2	000011	025-FFA	008027274-DUMONT YATES SEVEN RIVERS QUEEN YS	0000000	00653	10104		00000	000	000	00000

OPER-441043 MANATION OIL CO
GATH-GAS-NONAT NORTHERN NATURAL GAS CO
-LIQ-TEXNM TEXAS NEW MEXICO PIPELINE CO
PERFS-UP-00000
LD-00000 N.EAC-00000 TEMP-GRAD-00000 STATUS-01 00/00/00

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
****** 1984 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	27	27	29	25	31	30	30	26	26	15	30	31	327
WATER	752	10,107	30,734	0	0	0	0	0	0	0	0	0	41,573
OIL	342	401	150	127	281	245	147	115	115	121	237	292	2,573
GAS	11,380	44	257	260	16,971	15,335	16,933	15,237	12,469	8,428	15,770	16,444	129,527
CUMO	342	743	893	1,020	1,301	1,546	1,693	1,808	1,923	2,044	2,281	2,573	2,573
CUMG	11,380	11,424	11,681	11,941	28,920	44,246	61,179	76,416	88,885	97,313	113,083	129,527	129,527
****** 1985 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	27	25	31	30	26	30	26	31	30	29	30	27	346
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	200	137	146	119	121	114	76	84	79	94	69	66	1,307
GAS	14,435	13,472	16,614	15,602	14,168	13,199	9,540	9,902	9,996	9,300	9,511	8,213	144,059
CUMO	2,773	2,910	3,056	3,175	3,296	3,410	3,486	3,572	3,651	3,745	3,814	3,880	3,880
CUMG	143,962	157,434	174,048	189,737	203,905	217,104	226,664	236,566	246,562	255,862	265,373	273,586	273,586
****** 1986 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	29	25	31	30	30	30	30	30	28	25	30	31	349
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	76	63	78	66	58	33	46	49	61	44	74	41	689
GAS	8,746	7,988	9,416	9,130	10,263	5,898	6,179	8,472	8,270	7,065	9,528	6,692	97,647
CUMO	3,956	4,019	4,097	4,163	4,221	4,254	4,300	4,349	4,410	4,454	4,528	4,569	4,569
CUMG	282,332	290,320	299,738	308,876	319,139	325,027	331,206	339,678	347,948	355,013	364,541	371,233	371,233
****** 1987 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	28	25	27	30	28	30	29	31	30	30	29	28	345
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	17	12	42	33	32	33	33	30	34	33	33	18	349
GAS	2,906	2,831	5,598	4,032	4,632	4,784	4,709	5,025	4,049	4,184	4,012	7,399	54,191
CUMO	4,566	4,598	4,640	4,672	4,704	4,737	4,770	4,800	4,834	4,867	4,900	4,918	4,918
CUMG	374,139	376,970	382,568	386,600	391,232	396,016	400,725	405,780	409,829	414,013	418,025	425,424	425,424
****** 1988 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	31	29	21	26	29	29	29	29	28	31	30	31	343
WATER	0	0	0	26	26	22	29	30	25	29	29	23	239
OIL	29	28	12	25	26	21	28	31	25	28	29	23	305
GAS	3,297	3,214	2,192	3,361	3,670	3,281	3,725	3,830	3,546	4,118	3,946	4,650	42,830
CUMO	4,947	4,975	4,987	5,012	5,038	5,059	5,087	5,118	5,143	5,171	5,200	5,223	5,223
CUMG	428,721	431,935	434,127	437,488	441,158	444,439	448,164	451,994	455,540	459,658	463,604	468,254	468,254
****** 1989 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	0	0	0	0	0	0	0	0	0	0	0	
DAYS	30	0	0	0	0	0	0	0	0	0	0	0	30
WATER	29	0	0	0	0	0	0	0	0	0	0	0	29
OIL	29	0	0	0	0	0	0	0	0	0	0	0	29
GAS	3,744	0	0	0	0	0	0	0	0	0	0	0	3,744
CUMO	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252	5,252
CUMG	471,998	471,998	471,998	471,998	471,998	471,998	471,998	471,998	471,998	471,998	471,998	471,998	471,998

Report Totals 471,998-Gas 471,998-Gas Cume 5,252-Oil 5,252-Oil Cume 41,861-Water 1,740-Days



DOYLE HARTMAN
Oil Operator

DWIGHTS DATA DETAIL LISTING BY WELL
A.P. DWIGHTS

RUN DATE - 8/10/89
TIME - 17:47:16
USER/WS - SHEILA /F0
MENU/OPTION - DW01 / 01
PROC/LIBRARY - DWM003 /DDMLIB
PROGRAM - DWR105

ID	LOCN	O/G	LEASE	WELL#	COUNTY	POOL	API#	NM FW#	FIRST PROD	GAS COMBDI	TOT DCEIV	GRAVITY GAS	G/L LIQ	G/L RATIO
30 222 039E13J001S	13J22S 36E	G	MCDONALD STATE AC 2	000026	025-LEA	00802724-EUMONT YATES SEVEN RIVERS QUEEN YS	0000000	00653	10103		00000	000	000	00000
			DEL6-441043 MARATHON OIL CO		GAIU-GGS-NOHAT NORTHERN NATURAL GAS CO	FEES-UE-00000								
					-LIQ-TEXNM TEXAS NEW MEXICO PIPELINE CO	LO-00000	N_EBC-00000		IDNE_GRAD-00000		STATUS-01	00/00/00		

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
****** 1983 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	0	0	0	1	0	1	0	0	0	1	
DAYS	31	28	0	0	0	2	0	7	0	0	0	20	88
WATER	0	0	0	0	0	0	0	0	0	0	0	259	259
OIL	0	0	0	0	0	0	0	0	0	0	0	69	69
GAS	268	4	0	0	0	104	0	7	0	0	0	382	765
CUMO	0	0	0	0	0	0	0	0	0	0	0	69	69
CUMG	268	292	292	292	292	396	396	403	403	403	403	785	785
****** 1984 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	27	29	30	30	31	30	31	31	30	31	30	31	361
WATER	754	10,796	33,381	1	0	0	0	0	0	0	0	0	44,932
OIL	123	172	187	184	44	49	60	55	44	62	60	29	1,069
GAS	901	47	319	385	1,054	2,882	3,290	3,416	2,706	3,276	2,966	3,092	24,334
CUMO	192	364	551	735	779	828	888	943	987	1,049	1,109	1,138	1,138
CUMG	1,686	1,733	2,052	2,437	3,491	6,373	9,663	13,079	15,785	19,061	22,027	25,119	25,119
****** 1985 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	29	25	31	29	30	30	29	31	30	31	30	31	356
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	54	82	111	69	77	67	78	86	76	101	70	75	948
GAS	2,916	2,534	3,124	2,852	2,854	4,578	4,462	4,461	4,503	4,479	4,265	4,248	45,296
CUMO	1,192	1,274	1,385	1,454	1,531	1,598	1,676	1,762	1,840	1,941	2,011	2,086	2,086
CUMG	28,035	30,569	33,693	36,545	39,399	43,977	48,439	52,900	57,403	61,882	66,167	70,415	70,415
****** 1986 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	31	25	31	30	31	30	31	31	30	31	30	28	359
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	108	84	104	86	79	113	167	102	130	107	111	94	1,285
GAS	5,616	4,799	5,657	5,490	6,370	9,285	10,069	7,889	7,985	7,094	6,439	6,808	84,301
CUMO	2,194	2,278	2,382	2,468	2,547	2,660	2,827	2,929	3,059	3,166	3,277	3,371	3,371
CUMG	76,031	80,830	86,487	91,977	98,347	107,632	117,701	125,590	133,575	141,469	147,908	154,716	154,716
****** 1987 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	24	24	31	30	31	30	31	31	30	31	30	24	347
WATER	0	0	0	0	0	0	0	0	0	0	0	0	0
OIL	75	73	122	94	107	101	104	92	102	98	102	44	1,114
GAS	5,610	7,347	7,240	5,449	6,932	6,467	6,805	6,831	5,473	5,843	5,611	8,571	78,179
CUMO	3,446	3,519	3,641	3,735	3,842	3,943	4,047	4,139	4,241	4,339	4,441	4,485	4,485
CUMG	160,326	167,673	174,913	180,362	187,294	193,761	200,566	207,397	212,870	218,713	224,324	232,895	232,895
****** 1988 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	1	1	1	1	1	1	1	1	1	1	1	
DAYS	25	27	31	26	30	30	31	31	30	31	30	24	346
WATER	0	0	0	907	883	795	998	1,075	1,015	1,143	1,070	716	8,602
OIL	92	105	125	130	134	114	125	126	107	114	87	54	1,313
GAS	4,792	5,393	10,201	7,627	8,615	7,701	7,227	7,430	6,896	7,475	5,372	4,901	83,630
CUMO	4,577	4,682	4,807	4,937	5,071	5,185	5,310	5,436	5,543	5,657	5,744	5,798	5,798
CUMG	237,687	243,080	253,281	260,908	269,523	277,224	284,451	291,881	298,777	306,252	311,624	316,525	316,525
****** 1989 ******													
FLOW	0	0	0	0	0	0	0	0	0	0	0	0	
LIFT	1	0	0	0	0	0	0	0	0	0	0	0	
DAYS	25	0	0	0	0	0	0	0	0	0	0	0	25
WATER	1,090	0	0	0	0	0	0	0	0	0	0	0	1,090
OIL	73	0	0	0	0	0	0	0	0	0	0	0	73
GAS	4,247	0	0	0	0	0	0	0	0	0	0	0	4,247
CUMO	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871	5,871
CUMG	320,772	320,772	320,772	320,772	320,772	320,772	320,772	320,772	320,772	320,772	320,772	320,772	320,772

Report Totals 320,772-Gas 320,772-Gas Cume 5,871-Oil 5,871-Oil Cume 54,883-Water 1,882-Days

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

7-28-89

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC
DHC
NSL X
NSP X
SWD
WFX
PMX

AUG 3 1989
OIL CONSERVATION DIV.
SANTA FE

Gentlemen:

I have examined the application for the:

Doyle Hartman A. L. Christmas #1-D 18-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed