

GALLEGOS LAW FIRM

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J. E. Gallegos
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Michael L. Oja**
Joanne Reuter
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Harry T. Nutter
Mary Ann R. Burmester***

February 13, 1990

HAND DELIVERED

William J. LeMay, Director
Oil Conservation Division
Energy, Minerals & Natural Resources Department
State Land Office Building
Old Santa Fe Trail
P.O. Box 2008
Santa Fe, New Mexico 87504

RECEIVED

FEB 13 1990

OIL CONSERVATION DIV.
SANTA FE

9885

RE: Application of Doyle Hartman for Approval of Non-Standard Gas Proration Unit and Compulsory Pooling for Eumont Pool, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed for filing please find the original and two copies of the referenced Application and an additional copy which we request you stamp as received and return to us. Pursuant to Rule 1207(a) 1 and 3 of the Rules on Procedure, we have notified by certified mail, return receipt requested, those parties listed on Exhibit "C" to the Application as stated therein. We will provide the returned receipts evidencing such notification, or attempted notification, at the hearing requested below.

We respectfully request the enclosed Application be placed on the docket for hearing before an Examiner on March 7, 1990. We understand the application of Chevron U.S.A. Inc., Case No. 9878, which proposes to encompass portions of the acreage embraced by the enclosed Application of Doyle Hartman, has been postponed

*Also admitted in the District of Columbia

**Also admitted in California

**Also admitted in Texas

† Admitted only in Colorado

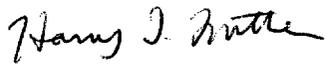
William J. LeMay, Director
February 13, 1990
Page Two

until the March 7th docket according to the letter we received from Bill Carr, attached hereto. Therefore, we further request that Hartman's Application be consolidated for hearing with Case No. 9878 in order to obviate duplicative proceedings and expedite a fair resolution of these matters.

Your prompt attention to this matter will be greatly appreciated.

Sincerely,

GALLEGOS LAW FIRM

By 
HARRY T. NUTTER

HTN:ap

Enclosures and Attachment

cc: Doyle Hartman, Oil Operator (w/enc. and attach.)
Dan Nutter (w/enc.)
William F. Carr, Esq. (w/enc.)

CAMPBELL & BLACK, P.A.

LAWYERS

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February 9, 1990

HAND-DELIVERED

William J. LeMay, Director
State of New Mexico
Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

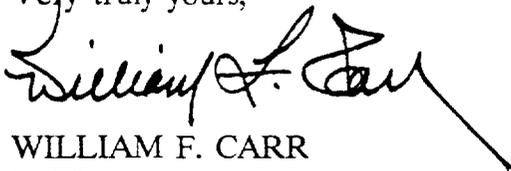
Re: Oil Conservation Commission Case 9878:
Application of Chevron U.S.A. Inc. for a Non-Standard Gas Proration Unit
and Simultaneous Dedication, Lea County, New Mexico

Dear Mr. LeMay:

Chevron U.S.A. Inc. hereby requests that the above-referenced case currently scheduled for hearing before a Division Examiner on February 21, 1990 be continued to the Examiner hearing set for March 7, 1990.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR
WFC:mlh

cc: Mr. Ray Vaden
Mr. Al Bohling
Harry Nutter, Esq.

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

RECEIVED

FFB 13 1990

OIL CONSERVATION DIV.
SANTA FE

CASE NO. 9885

IN THE MATTER OF THE APPLICATION OF
DOYLE HARTMAN, OIL OPERATOR FOR
APPROVAL OF A NON-STANDARD GAS
PRORATION UNIT AND COMPULSORY POOLING
FOR THE EUMONT POOL, LEA COUNTY,
NEW MEXICO

APPLICATION

Applicant DOYLE HARTMAN, OIL OPERATOR hereby applies to the Oil Conservation Division ("Division") for an order approving the creation of one of two proposed non-standard Eumont gas proration units consisting of either 200 acres, or alternatively 160 acres, both of the proposed non-standard proration units comprising portions of Sections 5 and 8, Township 20 South, Range 37 East, Lea County, New Mexico. Pursuant to §70-2-17 N.M.S.A. 1978, Applicant also applies to the Division for an order pooling all mineral interests in the Eumont Gas Pool in and under the non-standard gas proration unit so created. In support thereof, Applicant would show the Division, as follows:

1. Applicant is a working interest owner in the NE/4 NW/4 of Section 8, and in the SE/4 SW/4 of Section 5, T20S, R37E, Lea County, New Mexico and has the right to drill, develop or otherwise produce such tracts.

2. Chevron, U.S.A., Inc. has made application to the Division for approval of a 160 acre non-standard Eumont gas proration unit comprising the W/2 NE/4, SE/4 NE/4 and the SE/4 NW/4 of Section 8, T20S, R37E, Lea County, New Mexico, and the simultaneous dedication of such acreage to its Bertie Whitmire No. 1 and No. 2 wells. Chevron's proposal will isolate several smaller, non-producing, non-dedicated tracts, located in Sections 5 and 8, including those in which Applicant owns an interest, which tracts will not be economically feasible to further develop due to a combination of current low allowable rates, low gas prices, and the current costs of redevelopment. Chevron's proposed non-standard Eumont gas proration unit will adversely affect the correlative rights of those isolated tracts by draining those tracts which would no longer be feasible to develop if the Division approves Chevron's proposed non-standard Eumont gas proration unit.
3. Applicant proposes the creation of a non-standard gas proration unit consisting of 200 acres, being the E/2 W/2 of Section 8 and the SE/4 SW/4 of Section 5, T20S, R37E, Lea County, New Mexico, as shown on Exhibit "A" attached hereto.
4. In the alternative, Applicant proposes the creation of a non-standard gas proration unit consisting of 160 acres, being the N/2 NE/4, NE/4 NW/4 of Section 8 and the SE/4 SW/4 of Section 5, T20S, R37E, Lea County, New Mexico, as shown on Exhibit "B" attached hereto.

5. The creation of one of the two non-standard gas proration units proposed herein is necessary to prevent waste and protect correlative rights.
6. Applicant further proposes to dedicate all production from the Eumont Gas Pool to the non-standard gas proration unit which is determined, in the hearing requested below, to best prevent waste and protect correlative rights.
7. Applicant proposes to dedicate all production from the Eumont Gas Pool in either of the proposed non-standard gas proration units to the Britt "B-8" No. 1 well located 660 feet from the north boundary line and 1980 feet from the west boundary line of said Section 8, which well would then be redesignated as the Britt "B-8" Com. No. 1 well, plus one additional infill well to be drilled at a standard location within the non-standard gas proration unit which is determined, in the hearing requested below, to best prevent waste and protect correlative rights.
8. The pooling of interests within the non-standard gas proration unit to be so created will avoid the drilling of unnecessary wells, prevent waste, protect correlative rights and permit all parties to obtain their just and fair share of the Eumont production underlying such unit.
9. Pursuant to the applicable notice requirements, Applicant has notified by certified mail, return receipt, all parties listed on Exhibit "C" attached hereto of this application and the date of the hearing requested below.

WHEREFORE, Applicant prays this matter be set for hearing before a duly appointed Examiner of the Division on March 7, 1990, and, after the notice and hearing required by law, that the Division enter an order approving the creation of one of the two non-standard gas proration units proposed herein and also approving the pooling of the minerals interest therein for the Eumont Gas Pool. ~~Applicant further prays it be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom its costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such infill well, plus an equitable and proper percentage of the value of the existing wellbore of the Britt "B-8" No. 1 well, and all costs of supervision and operation of such unit, and that such order also provide for any other relief which may be deemed equitable and proper.~~

Respectfully submitted,

GALLEGOS LAW FIRM

By *Harry T. Nutter*
J.E. GALLEGOS

HARRY T. NUTTER

141 East Palace Avenue
Santa Fe, New Mexico 87501
(505) 983-6686

ATTORNEYS FOR DOYLE
HARTMAN, OIL OPERATOR

EXHIBIT "B"

Attached to and made part of the Application by Doyle Hartman, Oil Operator for Approval of Non-Standard Gas Proration Unit and Compulsory Pooling for the Eumont Gas Pool, Lea County, New Mexico.

PROPOSED 160 ACRE NON-STANDARD PRORATION UNIT CONSISTING OF THE NE/2 NE/4 AND THE NE/4 NW/4 SECTION 8 AND THE SE/4 SW/4 SECTION 5, T20S R37E, LEA COUNTY, NEW MEXICO AND SHOWING LOCATION OF THE EXISTING BRITT "B-8" NO. 1 WELL.

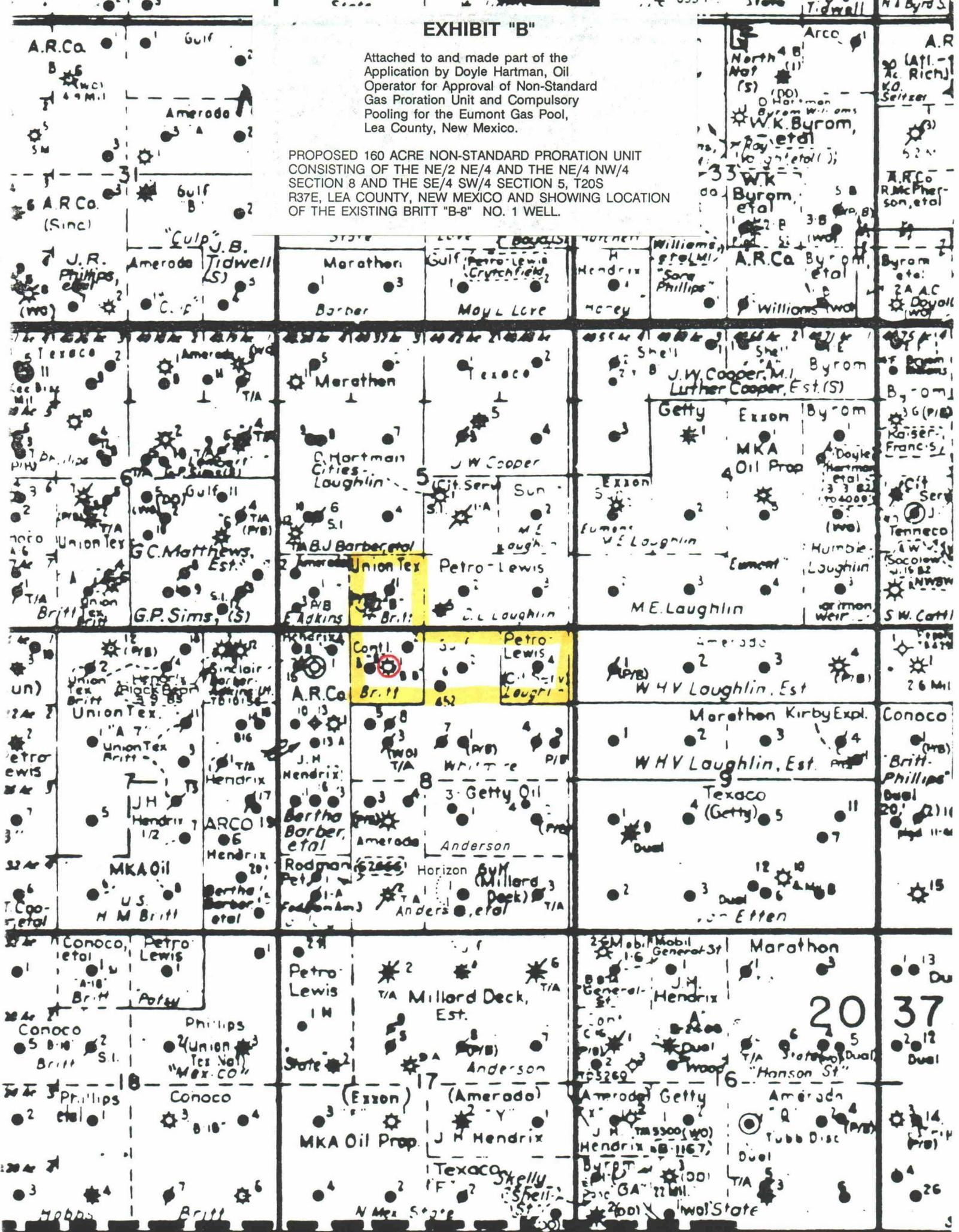


EXHIBIT "C"

Attached to and made part of the Application
by Doyle Hartman, Oil Operator for Approval of
Non-Standard Gas Proration Unit and Compulsory
Pooling for the Eumont Gas Pool, Lea County, New Mexico

OFFSET EUMONT (GAS) OPERATORS AND PRORATION UNITS
TO THE PROPOSED 200 ACRE AND 160 ACRE NON-STANDARD
GAS PRORATION UNITS, SECTIONS 8 AND 5,
T20S, R37E, LEA COUNTY, NEW MEXICO

<u>OPERATOR & ADDRESS</u>	<u>LEASE & WELL NAME(S)</u>	<u>GAS WELL LOCATION(S)</u>	<u>UNIT DESCRIPTION</u>	<u>NUMBER OF ACRES</u>
Oxy USA, Inc. P.O. Box 50250 Midland, Texas 79710 Mr. Charles Dickinson	Laughlin #8 #5	0-05-20S-37E	SE/4 Sec.5, T-20-S, R-37-E	160
Exxon USA Mr. D. Mendell, 111 P.O. Box 1600 Midland, Texas 79702	Eumont Gas "Com-1" #1 Eumont Gas "Com-1" #2	J-04-20S-37E L-04-20S-37E	Sec. 4, T-20-s, R-37-E	640
Amerada Hess Corp. P.O. Box 2040 Tulsa, Oklahoma 74102 Mr. G.E. Miller	V. Laughlin #4	A-09-20S-37E	N/2 N/2 Sec. 9, T-20-s, R-37-E	160
Marathon Oil Co. P.O. Box 552 Midland, Texas 79702 Mr. John F. Strong	W.H. Laughlin #3	G-09-20S-37E	S/2 N/2 Sec. 9, T-20-s, R-37-E	160
Texaco Producing Co. P.O. Box 3109 Midland, Texas 79702 Mr. Steve Chandler	L. Van Etten #1	L-09-20S-37E	SW/4 Sec. 9, T-20-S, R-37-E	160
Chevron USA, Inc. P.O. Box 1635 Houston, Texas 77251 Mr. Ray Vaden	Theodore Anderson #1	0-08-20S-37E	SE/4 Sec. 8, T-20-s, R-37-E	160
Chevron USA, Inc. P.O. Box 1635 Houston, Texas 77251 Mr. Ray Vaden	Theodore Anderson #4 Theodore Anderson #7	B-17-20S-37E H-17-20S-37E	NE/4, E/2 NW/4 Sec. 17, T-20-s, R-37-E	240

R.B. Honeyman, Jr. P.O. Box 60503 Pasadena, CA 91106	Wulff State #2	E-17-20S-37E	W/2 NW/4 Sec. 17, T-20-S, R-37-E	80
Arco Oil & Gas Co. P.O. Box 1610 Midland, Texas 79702	Barber Gas "Coml" #1	E-08-20S-37E	E/2 E/2 Sec. 7 & W/2 W/2 Sec. 8, T-20-S, R-37-E	320
Amerada Hess Corp. P.O. Box 2040 Tulsa, Oklahoma 74102 Mr. Jim Crandall Mr. G.E. Miller	E.S. Adkins #3	M-05-20S-37E	SW/4 SW/4 Sec. 5, T-20-S, R-37-E	40
Marathon Oil Co. P.O. Box 552 Midland, Texas Mr. John F. Strong	Bertha Barber #11	D-05-20S-37E	S/2 SW/4 Sec. 32, T-19-S, R-37-E, NW/4 & N/2 SW/4 Sec. 5, T-20-S, R-37-E	320
Texaco Producing Co. P.O. Box 3109 Midland, Texas 79702 Mr. Steve Chandler	J.W. Cooper #5	G-05-20S-37E	NE/4 Sec. 5, T-20-S, R-37-E & S/2 SE/4 Sec. 32, T-19-S, R-37-E	240

**WORKING INTEREST OWNERS TO BE FORCED POOLED IN
PROPOSED NON-STANDARD GAS PROPRATION UNITS IN
SECTIONS 8 AND 5, 120S, R37E, LEA COUNTY, NEW MEXICO**

Section 5: SW/4 SW/4

Union Texas Petroleum
P.O. Box 2120
Houston, Texas 77252-2120
Mr. Rod Cranford

Doyle Hartman
P.O. Box 10426
Midland, Texas 79701

James A. Davidson
P.O. Box 494
Midland, Texas 79702

Phillips Petroleum Company
4001 Penbrooke
Odessa, Texas 79761
Mr. Frank Hultse

Section 5: SW/4 SW/4 (cont.)

James E. Burr
P.O. Box 50232
Midland, Texas 79701

Ruth Sutton
2826 Moss
Midland, Texas 79702

Jack Fletcher
P.O. Box 10887
Midland, Texas 79702

Larry Nermyr
P.O. Box 4106
Sidney, Montana 59270

Section 8: NE/4 NW/4

Doyle Hartman

Section 8: NE/4 NE/4

Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79710
Mr. Charles Dickinson

Section 8: SE/4 NW/4 and NW/4 NE/4

Chevron USA, Inc.
P.O. Box 200027
Houston, Texas 77216-0027
Mr. Ray Vaden

Section 8: E/2 SW/4

Amerada Hess Corporation
P.O. Box 2040
Tulsa, Oklahoma 74102
Mr. Jim Crandall
Mr. G.E. Miller

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Mary Ann R. Burmester***

March 20, 1990

VIA HAND DELIVERY

RECEIVED

MAR 21 1990

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
Energy, Minerals & Natural Resources Department
State Land Office Building
Old Santa Fe Trail
P.O. Box 2208
Santa Fe, New Mexico 87504

RE: New Mexico Oil Conservation Division Application Nos. 9898, 9885,
9884 and 9878

Dear Mr. LeMay:

We previously hand-delivered to you our letter dated March 20, 1990, a copy of which is enclosed, concerning the referenced applications. We submit this letter to correct an error in the dates mentioned in our previous letter.

We hereby request that the following Applications we filed on behalf of Doyle Hartman, Oil Operator be rescheduled for hearing on the April 4, 1990 Examiner docket:

Application No. 9898
Application No. 9885

We respectfully request that you readvertise Application Nos. 9898 and 9885 for the April 4, 1990 Examiner docket. At that time we expect to dismiss Application No. 9885 and will present evidence in favor of the approval of Application No. 9898.

**Also admitted in the District of Columbia*

***Also admitted in California*

****Also admitted in Texas*

† Admitted only in Colorado

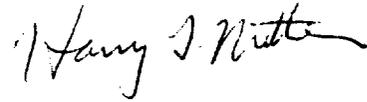
William J. LeMay, Director
March 21, 1990
Page Two

We have been advised by counsel for Chevron USA, Inc. that they have requested their Application No. 9878, which has been previously heard by Division Examiner David R. Catanach and the record of which was held open pending the hearing on Hartman's Application No. 9898, also be set for the April 4, 1990 Examiner docket. Counsel for Oxy USA, Inc. also advised us of the dismissal of their Application No. 9884.

I apologize for any confusion or inconvenience this may have caused. Thank you very much for your cooperation in this matter.

Very truly yours,

GALLEGOS LAW FIRM



By

HARRY T. NUTTER

HTN:ap

cc: Doyle Hartman, Oil Operator
Dan Nutter
William F. Carr, Esq.

GALLEGOS LAW FIRM

A Professional Corporation

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March 20, 1990

VIA HAND DELIVERY

William J. LeMay, Director
Oil Conservation Division
Energy, Minerals & Natural Resources Department
State Land Office Building
Old Santa Fe Trail
P.O. Box 2208
Santa Fe, New Mexico 87504

RE: New Mexico Oil Conservation Division Application Nos. 9898, 9885,
9884 and 9878

Dear Mr. LeMay:

On behalf of Doyle Hartman, Oil Operator we hereby request that his Application No. 9898, presently scheduled for hearing on the March 21, 1990 Examiner docket, be rescheduled for the April 4, 1990 Examiner docket because pending business matters will prevent the counsel and witnesses for Hartman from attending tomorrow's hearing. Additionally, we request that Application No. 9885 be continued until the April 4, 1990 Examiner docket at which time we expect to dismiss Application No. 9885. We respectfully request you readvertise Application Nos. 9898 and 9885 for hearing on the April 14, 1990 Examiner docket.

By the attached letter, we have been advised by counsel for Oxy USA, Inc. of the dismissal of their Application No. 9884. We have also been advised by counsel for Chevron USA, Inc. that they have requested their Application No. 9878, which has previously been heard by the Division and continued indefinitely, be set for hearing on the April 4, 1990 docket. Therefore all the referenced applications

*Also admitted in the District of Columbia

**Also admitted in California

***Also admitted in Texas

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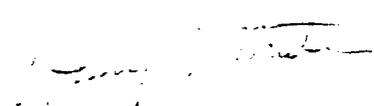
William J. LeMay, Director
March 20, 1990
Page Two

concerning the creation of non-standard Eumont Gas Pool proration units within Sections 5 and 8, T20S, R37E, Lea County, New Mexico, can be considered by the Division at the April 14, 1990 hearing, with the exception of Cxy's Application No. 9884 which has been dismissed per the attached letter.

Thank you for your cooperation in this matter.

Very truly yours,

GALLEGOS LAW FIRM



By

HARRY T. NUTTER

HTN:ap

Attachments

cc: Doyle Hartman, Oil Operator (w/attachment)
Dan Nutter (w/attachments)
William F. Carr, Esq. (w/attachments)

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
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March 20, 1990

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State of New Mexico
Energy and Minerals Department
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Post Office Box 2088
Santa Fe, New Mexico 87501

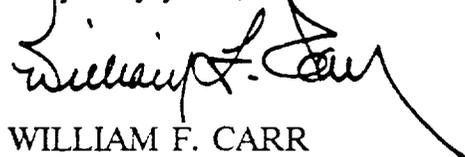
Re: Oil Conservation Commission Case 9884
Application of OXY USA, Inc. for Compulsory Pooling, Non-Standard Gas
Proration Unit and Simultaneous Dedication, Lea County, New Mexico

Dear Mr. LeMay:

I would appreciate the Division dismissing the above-referenced hearing presently scheduled on the March 21, 1990 Examiner docket.

Your assistance in this matter is appreciated.

Very truly yours,



WILLIAM F. CARR
WFC:mlh

cc: ✓ Harry Nutter, Esq.
W. Perry Pearce, Esq.