

# 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  
Mary E. Walta †  
Harry T. Nutter  
Mary Ann R. Burmester\*\*\*

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

RECEIVED  
MAR 21 1990  
OIL CONSERVATION DIVISION  
9898

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*

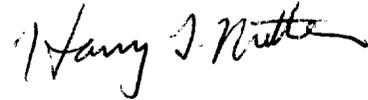
William J. LeMay, Director  
March 21, 1990  
Page Two  
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We have been advised by counsel for Chevron USA, Inc. that they have requested their Application No. 9878, which has been previously heard by Division Examiner David R. Catanach and the record 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.

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Mary Ann R. Burmester\*\*\*

March 20, 1990

*M.S.*

## 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

RECEIVED  
MAR 21 1990  
OIL CONSERVATION DIVISION

9898

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

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\*\*Also admitted in California

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† Admitted only in Colorado

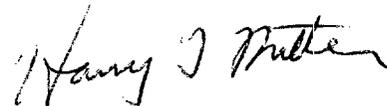
William J. LeMay, Director  
March 20, 1990  
Page Two  
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concerning the creation of non-standard Eumont Gas Pool proration units within Sections 5 and 8, T20S, R37E, Lea County, New Mexico, can be considered by the Division at the April 14, 1990 hearing, with the exception of Oxy'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)

# GALLEGOS LAW FIRM

A Professional Corporation

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APR 3 1990  
OIL CONSERVATION DIV.

J. E. Gallegos  
George F. Bingham\*  
Michael L. Oja\*\*  
Joanne Reuter  
Mary E. Walta †  
Harry T. Nutter  
Mary Ann R. Burmester\*\*\*

April 2, 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  
and 9878

Dear Mr. LeMay:

On behalf of Doyle Hartman, Oil Operator ("Hartman"), we hereby request his Application in Case No. 9898, presently scheduled for hearing before an Examiner on April 4, 1990, be rescheduled and republished for hearing on the May 2, 1990 Examiner docket. Hartman is currently negotiating with both Phillips Petroleum Company ("Phillips") and Union Texas Petroleum ("Union Texas") to acquire their interest in the SE/4 SW/4 of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico, which tract comprises a portion of the proposed 280-acre non-standard Eumont Gas Pool proration unit sought to be established pursuant to Hartman's Application in Case No. 9898. Since Phillips and Union Texas are two of the parties to be compulsorily pooled in Case No. 9898, deferring the hearing of Hartman's Application until those negotiations are concluded may simplify the hearing process.

On behalf of Hartman we also withdraw the Application by Hartman in Case No. 9885, which was also scheduled to be heard at the Examiner hearing on April 4, 1990. We respectfully request the Division dismiss Case No. 9885.

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*\*\*Also admitted in California*

*\*\*\*Also admitted in Texas*

*† Admitted only in Colorado*

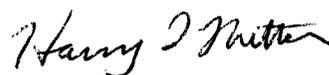
William J. LeMay, Director  
April 2, 1990  
Page Two  
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Please be advised that Hartman withdraws his previous objections to the Application by Chevron USA, Inc. ("Chevron") in Case No. 9878, which has been heard by Division Examiner David R. Catanach and the record of which was held open pending the hearing on Hartman's Application in Case No. 9898. Although Hartman requests a postponement of his Case No. 9898, he does not wish to delay the Division's action on Chevron's Application in Case No. 9878.

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  
Mr. Dan Nutter  
Bruce D. Black, Esq.  
William F. Carr, Esq.  
Mr. Rod Cranford  
Mr. Frank Hulse

# GALLEGOS LAW FIRM

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RECEIVED

APR 30 1990

OIL CONSERVATION DIV.  
SANTA FE

J. E. Gallegos  
George F. Bingham\*  
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Joanne Reuter  
Mary E. Walta †  
Harry T. Nutter  
Mary Ann R. Burmester\*\*\*

April 30, 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: Application by Doyle Hartman in New Mexico Oil Conservation  
Division Case No. ~~9898~~

Dear Mr. LeMay:

On behalf of Doyle Hartman, Oil Operator ("Hartman"), we respectfully request his Application in Case No. 9898, presently set for hearing before an Examiner on May 2, 1990, be rescheduled and republished for hearing before an Examiner on May 16, 1990. We had previously advised you by our letter dated April 2, 1990, a copy of which is attached for your easy reference, that Hartman was negotiating with both Phillips Petroleum Company ("Phillips") and Union Texas Petroleum ("Union Texas") to acquire their respective working interests in the SE/4 SW/4 of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico, which tract comprises a portion of the 280-acre non-standard Eumont Gas Pool proration unit sought to be established pursuant to the referenced Application.

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\*\*Also admitted in California

\*\*\*Also admitted in Texas

† Admitted only in Colorado

William J. LeMay, Director  
April 30, 1990  
Page Two  
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Hartman believes an additional two weeks will provide sufficient time to conclude negotiations with Phillips to acquire their working interest, which will obviate the need for compulsory pooling as to that interest. Negotiations with Union Texas, however, are presently at an impasse, so Hartman expects to proceed with the compulsory pooling of that interest at the Examiner hearing requested on May 16, 1990.

Thank you very much for your cooperation in this matter.

Sincerely,

GALLEGOS LAW FIRM



By  
HARRY T. NUTTER

HTN:ap

cc: Doyle Hartman, Oil Operator  
Mr. Dan Nutter  
Mr. Rod Cranford  
Mr. Frank Hulse

OIL CONSERVATION DIVISION  
RECEIVED

'90 JUN 29 AM 9 54

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

June 26, 1990

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

*Stoyner*

New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay  
Director

Re: Case No. 9898  
Order No. R-9199

*M.S.*

Gentlemen:

Pursuant to Paragraph No. 3 of Division Order No. R-9199 issued June 15, 1990, enclosed please find an Authorization for Expenditure and Detail Well Estimate for Doyle Hartman's Britt-Laughlin Com No. 6 well to be drilled at a location 1860' FSL and 760' FEL of Section 5, T-20-S, R-37-E, Lea County, New Mexico. Attached thereto is also an Authorization for Expenditure and Detail Estimate of Costs attributable to connecting the Britt-Laughlin Com No. 6 well to an available pipeline facility.

Subject AFE's are submitted for your file completion in compliance with Division Order No. R-9199.

Very truly yours,

DOYLE HARTMAN



Bryan E. Jones  
Landman

BEJ/lr  
Enclosures  
549:OCD0626

cc Mr. Harry Nutter  
Gallegos Law Firm  
141 East Palace Avenue  
Santa Fe, New Mexico 87501

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

**DOYLE HARTMAN**  
**OIL OPERATOR**  
**500 N. MAIN STREET**  
**MIDLAND, TEXAS**

**AUTHORIZATION FOR EXPENDITURE AND DETAIL WELL ESTIMATE**

LEASE NAME Britt-Laughlin Gas Com WELL NO. 6 W.I. 100%  
 COUNTY Lea STATE New Mexico FIELD Eumont (Gas)  
 LOCATION: SE/4 Section 5, T-20-S, R-37-E

DRILLING INTANGIBLES:	PRODUCER	DRY HOLE
1. Drilling Cost <u>3750</u> Feet @ <u>\$11.50</u> Per Foot	43125	43125
2. Day Work <u>2 days @ \$3500/day</u>	7000	7000
3. Coring Service _____ Well Surveys <u>OH Logs</u>	10200	10200
4. Bits and Reamers _____		
5. Testing _____		
6. Directional Drilling _____		
7. Fuel _____ Water _____	8000	5500
8. Mud <u>4700</u> Mud Logging <u>1800</u>	6500	6500
9. Cementing Service _____ Cement _____ Floats _____	12000	3200
10. Company Labor _____ Contract Labor _____	1500	1500
11. Surface Damages and Right-of-Way _____	2500	2500
12. Digging Pits _____ Filling Pits _____	500	500
13. Pit Lining _____	800	800
14. Roads & Bridges <u>4500</u> Dredging & Grading <u>7500</u>	12000	
15. Acidizing <u>6500</u> Fracturing <u>135000</u> Perforating <u>2000</u>	143500	
16. Plugging _____		4500
17. Trucking Cost _____	3000	1500
18. Development Superintendence <u>12/7 days @ \$ 500 /day</u>	6000	3500
19. Rental Equipment <u>Mud cleaner, BOP, frac tanks</u>	5300	1300
20. Swabbing and Testing _____	6500	--
21. Legal and Professional Expenses:		
Product Price Determination <u>NGPA file</u>	750	
Regulatory Hearings <u>State filings</u> Other <u>Location Stake</u>	1200	1200
22. Abstracts and Title Opinions _____	7500	7500
23. Geological, Geophysical and Land Support _____	2200	2200
24. Other Costs _____		
25. Contingency @ <u>10%</u> % _____	28008	10253
Total Intangibles	308083	112778
<b>WELL EQUIPMENT:</b>		
26. Casing <u>475</u> Ft. of <u>9-5/8"</u> @ <u>12.00</u> Per Ft. (Used)		
<u>3750</u> Ft. of <u>7"</u> @ <u>6.20</u> Per Ft. (Used)		
_____ Ft. of _____ @ _____ Per Ft.	28950	5700
27. Tubing <u>3700</u> Ft. of <u>2-3/8"</u> @ <u>2.30</u> Per Ft.	8510	
28. Casing Head _____	1350	1350
29. Xmas Tree or Pumping Connections _____	5600	--
30. Pumping Unit _____	15000	
31. Engine/Motor Controller and Power System _____	7800	
32. Sucker Rods _____	4000	
33. Pump _____	1800	
34. Tank Battery _____	3500	
35. Separator or Dehydration Equip. _____	3300	
36. Metering Equipment _____		
37. Flow Lines _____	2100	
38. Guards and Fences _____	800	
39. Other Costs <u>Anchors</u>	600	
40. Contingency @ <u>10%</u> % _____	8331	705
Total Tangibles	91641	7755
<b>TOTAL COST OF WELL</b>	<b>399724</b>	<b>120533</b>
Share at _____ %		

REMARKS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Originated by Mike Stewart Title Engineer Date \_\_\_\_\_  
 Approved \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**DOYLE HARTMAN  
OIL OPERATOR  
500 N. MAIN STREET  
MIDLAND, TEXAS**

Revised 5-15-82

<b>SYSTEM</b> Britt-Laughlin Gas Com	<b>WELL</b> Britt-Laughlin Gas Com No. 6	<b>WELL NUMBER</b>
---	---	--------------------

**LOCATION**  
Section 5, T-20-S, R-37-E, Lea County, New Mexico

**WORK REQUIRED**  
Ditch, lay and bury 6" SDR 11 poly gas gathering line to NNG 8" line No. 119

**WELL CONNECTION EVALUATION**

<b>I OPERATOR</b>	<b>WELL NAME</b> Britt-Laughlin Gas Com No. 6		
	<b>LOCATION</b> 1860 FSL and 780 FEL, Section 5, T-20-S, R-37-E		
	<b>COUNTY</b> Lea County, New Mexico		
<b>II SYSTEM</b>	<b>CONNECTION LENGTH</b> 200'	<b>SIZE LINE REQUIRED</b> 6" SDR 11 polyethylene	<b>ESTIMATED COST OF CONNECTION</b>
	<b>ESTIMATED RESERVES</b>	<b>ESTIMATED INITIAL PROD. RATE</b>	<b>PRICE DIFFERENTIAL (CURRENT)</b>
<b>III ECON.</b>	<b>FUTURE NET REVENUE</b>	<b>R.O.I. AT AVERAGE DIFF.</b>	<b>PAYOUT</b>

INTANGIBLES		QUANTITY	PRICE	CASH COST	MONTH	MATERIAL ON HAND
	ROW & DAMAGES	200'	\$30/rod	364		
	SURVEY & STAKE ROW			350		
	INSTALLATION COST - PIPE	200'	\$3.50/ft.	700		
	INSTALLATION COST - OTHER Meters			2300		
	LINE INSPECTION SERVICE					
	LEGAL SERVICES			100		
	CONSULTANT SERVICES					
	X-RAY SERVICES					
	CATHODIC PROTECTION SERVICE					
	MISC. SERVICES & CONTINGENCIES 10%			381		
	<b>SUB-TOTAL INTANGIBLES</b>			4195		
TANGIBLES		QUANTITY	PRICE	CASH COST	MONTH	MATERIAL ON HAND
	LINE PIPE - UNDER 4"					
	LINE PIPE - 4" AND OVER	200'	4.00	800		
	TANKS					
	SEPARATION EQUIPMENT					
	DRIPS					
	METER RUNS & METERS 1-NNG, 1-Check		6500/3650	10150		
	PIG LAUNCHER & RECEIVER FAC.					
	VALVES - 4" & OVER			2500		
	VALVES - UNDER 4"			1000		
	FITTINGS - ELLS, TEES, ETC.			1200		
	RIVER WEIGHTS					
	ROAD CROSSINGS					
	CATHODIC EQUIPMENT					
	FENCES					
	RIVER CROSSINGS					
	BUILDINGS & STRUCTURES					
	MISC. EQUIPMENT & CONTINGENCIES 10%			1565		
	GAS COMPRESSORS					
	GAS DEHYDRATION					
	<b>SUB-TOTAL TANGIBLES</b>			17215		
	<b>TOTALS</b>			21410		

Share at \_\_\_\_\_%

REMARKS: Connect proposed infill Eumont well to NNG facilities on 8" line No. 119  
at valve station

Originated by Michael Stewart Title Engineer Date \_\_\_\_\_

Approved \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



Union Texas Petroleum

OIL CONSERVATION DIVISION  
RECEIVED

'90 AUG 6 AM 9 08

1800 Burr Oak Boulevard  
P.O. Box 2710  
Albuquerque, NM 87103-0271  
703-22-8844

July 25, 1990

Doyle Hartman  
Oil Operator  
500 N. Main  
P.O. Box 10426  
Midland, Texas 79702

*Dogner*  
*Case 9898*

*M.S.*

RE: NMOCD Order No. R-9199  
Hartman - Britt-Laughlin Com  
Eumont Gas Pool Proration Unit  
T-20-S, R-37-E  
Lea County, New Mexico

Dear Mr. Hartman:

Your letter dated June 21, 1990 was received in our office on June 25, 1990, and pursuant to the New Mexico Oil Conservation Division Order No. R-9199, we are responding within the 30 days provided under the Order electing to participate in the proposed operations.

Pursuant to the New Mexico Oil Conservation Division Order No. R-9199, please find enclosed one (1) executed Joint-Operating Agreement, three (3) executed AFE's you provided for our signature and our checks for our proportionate costs as further described below:

<u>WELL NAME</u>	<u>CHECK NO.</u>	<u>CHECK AMOUNT</u>
Hartman-Britt-Laughlin Com No. 1	992190	\$11,225.00
Britt-Laughlin Com No. 6	992191	\$25,069.00

By order of the New Mexico Oil Conservation Division Order No. R-9199, we have satisfied our requirement to participate.

Very truly yours,

UNION TEXAS PETROLEUM CORPORATION

Rod R. Cranford  
Landman

cc: New Mexico Oil Conservation Division  
Box 2088  
Santa Fe, New Mexico 87504

RRC/lgd  
Enclosure  
RRC#9:0023



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

GARREY CARRUTHERS  
GOVERNOR

November 13, 1990

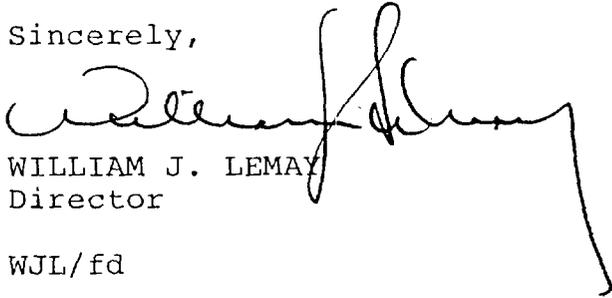
POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Mr. Michael Stewart, Engineer  
Doyle Hartman  
P. O. Box 10426  
Midland, Texas 79702

Dear Mr. Stewart:

Based upon your letter of November 8, 1990, and in accordance with the provisions of Division Order No. R-9199, Doyle Hartman is hereby granted an extension of time in which to begin the well on the unit pooled by said order until January 1, 1991.

Sincerely,

  
WILLIAM J. LEMAY  
Director

WJL/fd

cc: ✓ Case 9898  
Jerry Sexton

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

November 8, 1990

*W. J. LeMay*

FEDERAL EXPRESS

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

RECEIVED

NOV 8 1990

OIL CONSERVATION DIVISION

Attention: Mr. William J. LeMay  
Director

Re: NMOCD Compulsory Pooling  
Order No. R-9199  
NMOCD Case No. 9898  
Britt-Laughlin Gas Com.  
SE/4 and SE/4 SW/4 Sec. 5  
NE/4 NW/4 & NE/4 NE/4 Sec. 8  
Lea County, New Mexico

Gentlemen:

By the attached Order No. R-9199 ("Order") dated June 15, 1990, the NMOCD approved Doyle Hartman's application for a non-standard proration unit, simultaneous dedication and compulsory pooling for the Eumont Gas Pool underlying the above referenced acreage. In conjunction with the issuance of the above Order, 99.97 percent (%) of the working interest owners comprising the 280-acre unit have voluntarily elected to participate in the drilling of the infill Britt-Laughlin Com No. 6 well as approved in the Order. The two (2) owners who did not elect to participate in the drilling of the proposed well own a combined 0.0782 acres of the 280-acre unit as illustrated on the attached "Commitment of Acreage" table, and will be subject to the 100 percent risk penalty.

As a stipulation of the Order, Paragraph 1 therein provides that the operator, Doyle Hartman, "commence the drilling of the Britt-Laughlin Com No. 6 infill well on or before the 16th day of November, 1990".

However, due to the current unavailability of a drilling rig suitable to drill and complete the proposed Britt-Laughlin Com No. 6 in accordance with the referenced November 16, 1990 spud date requirement, we respectfully request the division administratively extend such commencement date to January 1, 1990.

November 8, 1990

Page 2

In the past month I have solicited bids from nine (9) contractors with suitable rigs in the area and have been informed that the earliest any of the nine would have a rig available would be on or about December 15, 1990. This apparent shortage of rigs can be attributed to the recent events in the Middle East and a corresponding rise in oil prices as well as year-end drilling activities. As supply and demand would dictate, the increased rig utilization has also dramatically increased the current drilling costs. This increase in costs emphasizes the economic attractiveness of implementing a multi-well drilling program wherein contracts are willing to commit rigs for lesser prices and where our field manpower hours can be more efficiently and effectively utilized. With this in mind, it has always been our plans to drill our 1990 proposed wells back-to-back. However, we were somewhat delayed in starting our 1990 drilling program due to several factor one of which was the force pooling of our State "A" Com lease (NMOCD Case No. 9994) in which we just recently received an approved Order No. R-9332 dated October 24, 1990, providing for the drilling of the State "A" Com No. 5 infill well.

With the issuance of the State "A" Order we were able to commit a drilling contractor to both the Britt-Laughlin com No. 6 and the State "A" No. 5 wells, thus efficiently and economically utilizing our resources. As mentioned above the availability of a rig suitable for the drilling of both wells has been pushed past the November 16, 1990 requirement by the time the State "A" Order had been issued. Hence our request to extend the spud date associated with the NMOCD's Order No. R-9199 and the drilling of the Britt-Laughlin Com No. 6 until January 1, 1991.

Should you have any questions concerning our request, please feel free to contact me. Your consideration in this matter is appreciated.

Very truly yours,

DOYLE HARTMAN



Michael Stewart  
Engineer

MS/lr  
Enclosure  
549:OCD1107

cc Mr. Michael Stogner  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504-2088

New Mexico Oil Conservation Division

November 8, 1990

Page 3

Mr. Jerry Sexton  
New Mexico Oil Conservation Division  
Post Office Box 1980  
Hobbs, New Mexico 88240

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

Mr. James E. Burr  
Post Office Box 50233  
Midland, Texas 79710

Ms. Ruth Sutton  
2826 Moss  
Midland, Texas 79705

Mr. Rod Cranford  
Union Texas Petroleum  
Post Office Box 2120  
Houston, Texas 77251-2120

Mr. Frank Hulse  
Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762

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

COMMITMENT OF ACREAGE  
 BRITT - LAUGHLIN GAS COM  
 SECTIONS 5 & 8, T-20-S, R-37-E  
 (280 ACRES)

<u>TRACT 1</u>	<u>OWNER</u>	<u>W.I. ¢</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
NE/4 SE/4 Sec. 5 T-20-S, R-37-E (40 Acres)	Doyle Hartman	75.0000	30.0000	Y
	James A. Davidson	25.0000	10.0000	Y
	<u>Sub-Total</u>	<u>100.0000</u>	<u>40.0000</u>	

<u>TRACT 2</u>	<u>OWNER</u>	<u>W.I. ¢</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
NW/4 SE/4 & S/2 SE/4 Sec. 5 & NE/4 NE/4 Sec. 8, T-20-S, R-37-E (160 Acres)	Doyle Hartman	87.5000	140.0000	Y
	James A. Davidson	12.5000	20.0000	Y
	<u>Sub-Total</u>	<u>100.0000</u>	<u>160.0000</u>	

<u>TRACT 3</u>	<u>OWNER</u>	<u>W.I. ¢</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
NE/4 NW/4 Sec. 8 T-20-S, R-37-E (40 Acres)	Doyle Hartman	100.0000	40.0000	Y

<u>TRACT 4</u>	<u>OWNER</u>	<u>W.I. ¢</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
SE/4 SW/4 Sec. 5 T-20-S, R-37-E (40 Acres)	Doyle Hartman	5.9245	2.3698	Y
	James A. Davidson	2.0833	.8333	Y
	Phillips Petro. Co.	50.0000	20.0000	Y
	Union Tx. Petro.	41.6667	16.6667	Y
	James E. Burr	0.0651	.0260	Y
	Ruth Sutton	0.0651	.0260	Y
	Jack Fletcher	0.0651	.0261	N
	Larry Nermyr	0.1302	.0521	N
	<u>Sub-Total</u>	<u>100.0000</u>	<u>40.0000</u>	

<u>TOTAL P.U.</u>	<u>OWNER</u>	<u>W.I. ¢</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
SE/4, SE/4 SW/4 Sec. 5 & NE/4 NE/4, NE/4 NW/4 Sec. 8, T-20-S, R-37-E (280 Acres)	Doyle Hartman	75.8463	212.3698	Y
	James A. Davidson	11.0119	30.8333	Y
	Phillips Petro. Co.	7.1428	20.0000	Y
	Union Tx. Petro. Co.	5.9524	16.6667	Y
	James E. Burr	0.0093	0.0260	Y
	Ruth Sutton	0.0093	0.0260	Y
	Jack Fletcher	0.0094	0.0261	N
	Larry Nermyr	0.0186	0.0521	N

<u>TOTAL P.U.</u>	<u>100.0000</u>	<u>280.0000</u>
-------------------	-----------------	-----------------

	<u>W.I. ¢</u>	<u>W.I.</u>
		<u>ACRES</u>
ACREAGE COMMITTED:	99.972071	279.9218
ACREAGE NON-COMMITTED:	<u>.027930</u>	<u>.0782</u>
TOTAL PRORATION UNIT	100.000000	280.0000

\*Y/N - Acreage Committed or Not Committed

RECEIVED  
OIL CONSERVATION DIVISION  
NOV 13 AM 8 59

DOYLE HARTMAN

Oil Operator

500 N. MAIN  
P.O. BOX 10426  
MIDLAND, TEXAS 79702

(915) 684-4011

November 8, 1990

FEDERAL EXPRESS

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Attention: Mr. William J. LeMay  
Director

Re: NMOCD Compulsory Pooling  
~~Order No. R-9199~~  
~~NMOCD Case No. 9898~~  
Britt-Laughlin Gas Com.  
SE/4 and SE/4 SW/4 Sec. 5  
NE/4 NW/4 & NE/4 NE/4 Sec. 8  
Lea County, New Mexico

Gentlemen:

By the attached Order No. R-9199 ("Order") dated June 15, 1990, the NMOCD approved Doyle Hartman's application for a non-standard proration unit, simultaneous dedication and compulsory pooling for the Eumont Gas Pool underlying the above referenced acreage. In conjunction with the issuance of the above Order, 99.97 percent (%) of the working interest owners comprising the 280-acre unit have voluntarily elected to participate in the drilling of the infill Britt-Laughlin Com No. 6 well as approved in the Order. The two (2) owners who did not elect to participate in the drilling of the proposed well own a combined 0.0782 acres of the 280-acre unit as illustrated on the attached "Commitment of Acreage" table, and will be subject to the 100 percent risk penalty.

As a stipulation of the Order, Paragraph 1 therein provides that the operator, Doyle Hartman, "commence the drilling of the Britt-Laughlin Com No. 6 infill well on or before the 16th day of November, 1990".

However, due to the current unavailability of a drilling rig suitable to drill and complete the proposed Britt-Laughlin Com No. 6 in accordance with the referenced November 16, 1990 spud date requirement, we respectfully request the division administratively extend such commencement date to January 1, 1990.

In the past month I have solicited bids from nine (9) contractors with suitable rigs in the area and have been informed that the earliest any of the nine would have a rig available would be on or about December 15, 1990. This apparent shortage of rigs can be attributed to the recent events in the Middle East and a corresponding rise in oil prices as well as year-end drilling activities. As supply and demand would dictate, the increased rig utilization has also dramatically increased the current drilling costs. This increase in costs emphasizes the economic attractiveness of implementing a multi-well drilling program wherein contracts are willing to commit rigs for lesser prices and where our field manpower hours can be more efficiently and effectively utilized. With this in mind, it has always been our plans to drill our 1990 proposed wells back-to-back. However, we were somewhat delayed in starting our 1990 drilling program due to several factor one of which was the force pooling of our State "A" Com lease (NMOCD Case No. 9994) in which we just recently received an approved Order No. R-9332 dated October 24, 1990, providing for the drilling of the State "A" Com No. 5 infill well.

With the issuance of the State "A" Order we were able to commit a drilling contractor to both the Britt-Laughlin com No. 6 and the State "A" No. 5 wells, thus efficiently and economically utilizing our resources. As mentioned above the availability of a rig suitable for the drilling of both wells has been pushed past the November 16, 1990 requirement by the time the State "A" Order had been issued. Hence our request to extend the spud date associated with the NMOCD's Order No. R-9199 and the drilling of the Britt-Laughlin Com No. 6 until ~~January 1,~~

Should you have any questions concerning our request, please feel free to contact me. Your consideration in this matter is appreciated.

Very truly yours,

DOYLE HARTMAN



Michael Stewart  
Engineer

MS/lr  
Enclosure  
549:OCD1107

cc Mr. Michael Stogner  
New Mexico Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87504-2088

Mr. Jerry Sexton  
New Mexico Oil Conservation Division  
Post Office Box 1980  
Hobbs, New Mexico 88240

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

Mr. James E. Burr  
Post Office Box 50233  
Midland, Texas 79710

Ms. Ruth Sutton  
2826 Moss  
Midland, Texas 79705

Mr. Rod Cranford  
Union Texas Petroleum  
Post Office Box 2120  
Houston, Texas 77251-2120

Mr. Frank Hulse  
Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762

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

COMMITMENT OF ACREAGE  
BRITT - LAUGHLIN GAS COM  
SECTIONS 5 & 8, T-20-S, R-37-E  
(280 ACRES)

<u>TRACT 1</u>	<u>OWNER</u>	<u>W.I. %</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
NE/4 SE/4 Sec. 5	Doyle Hartman	75.0000	30.0000	Y
T-20-S, R-37-E	James A. Davidson	25.0000	10.0000	Y
(40 Acres)				
	Sub-Total	100.0000	40.0000	

<u>TRACT 2</u>	<u>OWNER</u>	<u>W.I. %</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
NW/4 SE/4 & S/2 SE/4	Doyle Hartman	87.5000	140.0000	Y
Sec. 5 & NE/4 NE/4	James A. Davidson	12.5000	20.0000	Y
Sec. 8, T-20-S, R-37-E				
(160 Acres)	Sub-Total	100.0000	160.0000	

<u>TRACT 3</u>	<u>OWNER</u>	<u>W.I. %</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
NE/4 NW/4 Sec. 8	Doyle Hartman	100.0000	40.0000	Y
T-20-S, R-37-E				
(40 Acres)				

<u>TRACT 4</u>	<u>OWNER</u>	<u>W.I. %</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
SE/4 SW/4 Sec. 5	Doyle Hartman	5.9245	2.3698	Y
T-20-S, R-37-E	James A. Davidson	2.0833	.8333	Y
(40 Acres)	Phillips Petro. Co.	50.0000	20.0000	Y
	Union Tx. Petro.	41.6667	16.6667	Y
	James E. Burr	0.0651	.0260	Y
	Ruth Sutton	0.0651	.0260	Y
	Jack Fletcher	0.0651	.0261	N
	Larry Nermyr	0.1302	.0521	N
	Sub-Total	100.0000	40.0000	

<u>TOTAL P.U.</u>	<u>OWNER</u>	<u>W.I. %</u>	<u>W.I.</u>	<u>Y/N*</u>
			<u>ACRES</u>	
SE/4, SE/4 SW/4 Sec. 5	Doyle Hartman	75.8463	212.3698	Y
& NE/4 NE/4, NE/4 NW/4	James A. Davidson	11.0119	30.8333	Y
Sec. 8, T-20-S, R-37-E	Phillips Petro. Co.	7.1428	20.0000	Y
(280 Acres)	Union Tx. Petro. Co.	5.9524	16.6667	Y
	James E. Burr	0.0093	0.0260	Y
	Ruth Sutton	0.0093	0.0260	Y
	Jack Fletcher	0.0094	0.0261	N
	Larry Nermyr	0.0186	0.0521	N

<u>TOTAL P.U.</u>	100.0000	280.0000
-------------------	----------	----------

	<u>W.I. %</u>	<u>W.I.</u>
		<u>ACRES</u>
ACREAGE COMMITTED:	99.972071	279.9218
ACREAGE NON-COMMITTED:	.027930	.0782
TOTAL PRORATION UNIT	100.000000	280.0000

\*Y/N - Acreage Committed or Not Committed

OIL CONSERVATION DIVISION  
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'91 APR 16 AM 8 40

*M.S.*  
DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

April 11, 1991

VIA CERTIFIED RETURN RECEIPT MAIL

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

Attention: Mr. William J. LeMay

*Stogner*

*Case 9898*

Re: Britt-Laughlin Com No. 6  
NMOCD Order No. R-9199  
Lea County, New Mexico

Gentlemen:

Pursuant to Paragraph No. 5 of NMOCD Order No. R-9199 issued June 15, 1990, enclosed please find an itemized schedule of actual well costs (to date) associated with the drilling of the Britt-Laughlin Com No. 6 well located in Unit I, Section 5, T-20-S, R-37-E, Lea County, New Mexico. Also enclosed is a photocopy of NMOCD Form C-105 indicating that subject well was completed on January 14, 1991.

Prior to commencement of the well, you were provided with a copy of our Detail Well Estimate and Authorization for Expenditure for the Britt-Laughlin Com No. 6 well

Please advise if you have any questions.

Very truly yours,

DOYLE HARTMAN



Bryan E. Jones  
Landman

BEJ/lr  
Enclosures  
555:OCD0411

Britt Laughlin Com. #6  
 Drilling and Completion Charges as of March 26, 1991

Costs	Per AFE	Actual
<hr/>		
Intangible Drilling Costs		
<hr/>		
Drilling Cost	43,125.00	64,527.53
Day Work	7,000.00	7,098.77
Well Surveys/Logs	10,200.00	14,116.26
Water/Fuel	8,000.00	13,380.96
Mud/Mud Logging	6,500.00	5,829.99
Cementing Services	12,000.00	12,028.02
Contract Labor/Supervision	7,500.00	5,688.20
Surface Damages	2,500.00	
Pits/Pit Liner	1,300.00	937.90
Roads/Location	12,000.00	7,986.16
Acidizing/Fracturing/Perf.	143,500.00	131,714.59
Trucking	3,000.00	3,518.49
Rental Equipment	5,300.00	8,297.17
Swabbing/Testing/Completion	6,500.00	15,115.29
Legal and Regulatory	9,450.00	
Geological/Land Support	2,200.00	295.80
Misc.		7,814.19
AFE Contingency	28,008.00	
<hr/>		
Total Intangibles	308,083.00	298,349.32
<hr/>		
Well Equipment		
<hr/>		
Surface Casing	5,700.00	6,977.05
Production Casing	23,250.00	31,453.16
Tubing String	8,510.00	8,165.81
Wellhead Equipment/Connections	6,950.00	4,677.16
Pumping Unit/Motor	15,000.00	13,110.94
Powerlines/Engines	7,800.00	7,482.84
Sucker Rods	4,000.00	895.16
Bottom Hole Pump	1,800.00	1,531.44
Tank Battery	3,500.00	11,601.73
Separator/Heater Treater/Flowlines		
Gathering System/Connections	26,810.00	18,931.83
Guards/Fences	800.00	
Other/Anchors	600.00	561.33
AFE Contingency	8,331.00	
<hr/>		
Total Well Equipment	113,051.00	105,388.45
<hr/>		
Total Costs as of 3/26/91	421,134.00	403,737.77
<hr/>		

Submit to Appropriate District Office  
State Lease - 6 copies  
Fee Lease - 5 copies  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

WELL API NO. 30-025-31105
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name Britt Laughlin Com
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____	8. Well No. 6
2. Name of Operator Doyle Hartman	9. Pool name or Wildcat Eumont (Y-7R-Qn)
3. Address of Operator P. O. Box 10426, Midland, Texas 79702	
4. Well Location Unit Letter <u>I</u> : <u>1860</u> Feet From The <u>South</u> Line and <u>760</u> Feet From The <u>East</u> Line Section <u>5</u> Township <u>20-S</u> Range <u>37-E</u> NMPM Lea County	

10. Date Spudded 12-26-90	11. Date T.D. Reached 1-3-91	12. Date Compl. (Ready to Prod.) 1-14-91	13. Elevations (DF& RKB, RT, GR, etc.) 3559.3 GR	14. Elev. Casinghead 3558.3 GR
15. Total Depth 3766'	16. Plug Back T.D. 3690'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools 0-3766	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name Queen-Penrose <u>3224-3489</u>				20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run DSN-SDL, CSNG, DLL-MGL				22. Was Well Cored No

23. **CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9-5/8"	36 & 40	463	12-1/4	350 sx	Circ
7"	26	3765	8-3/4	900 sx	Circ

24. <b>LINER RECORD</b>				25. <b>TUBING RECORD</b>			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	3610	None

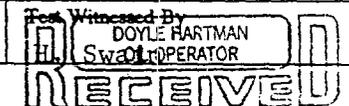
26. Perforation record (interval, size, and number) 1 spf @				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.				
3224	3343	3371	3393	3423	3451	3492	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3260	3351	3375	3395	3432.5	3459	3513	3224-3513	6150 gal. 15% MCA
3281	3360	3381	3404.5	3436.5	3471.5			
3309	3365	3383.5	3410	3445	3489			

28. **PRODUCTION**

Date First Production 1-14-91	Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping 9-1/2 X 64 X 1-1/4"				Well Status (Prod. or Shut-in) Prod		
Date of Test 1-14-91	Hours Tested 24	Choke Size 18/64	Prod'n For Test Period	Oil - Bbl. 0	Gas - MCF 190	Water - Bbl. 1	Gas - Oil Ratio --
Flow Tubing Press. FCP = 109	Casing Pressure SICP = 273	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF 190	Water - Bbl. 1	Oil Gravity - API - (Corr.) --	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Vented

30. List Attachments



31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief  
Signature [Signature] Printed Name Michael Stewart Title Engineer Date 1-29-91

FEB 8 1991

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

### Northwestern New Mexico

T. Anhy _____ 1118	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____ 1213	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____ 2352	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 2489	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 2757	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 3240	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 3546	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ 3224 to \_\_\_\_\_ 3513  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet.  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet.  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet.

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
1118	1213	95	Anhydrite				
1213	2352	1139	Anhydrite & Salt				
2352	2489	137	Anhydrite & Salt				
2489	2757	268	Sand, Dolomite & Shale				
2757	3240	483	Sand & Dolomite				
3240	3546	306	Sand, Dolomite & Shale				

RECEIVED  
 FEB 06 1991  
 SOG  
 RECORDS OFFICE

# GALLEGOS LAW FIRM

A Professional Corporation

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

**RECEIVED**

MAY 23 1990

OIL CONSERVATION DIV.  
SANTA FE

J. E. Gallegos  
George F. Bingham\*  
Michael L. Oja\*\*  
Joanne Reuter  
Mary E. Walta †  
Harry T. Nutter  
Mary Ann R. Burmester\*\*\*

May 23, 1990

## VIA HAND DELIVERY

Michael E. Stogner, Examiner  
Oil Conservation Division  
Energy, Minerals & Natural Resources Department  
State Land Office Building  
Old Santa Fe Trail  
Santa Fe, New Mexico 87504

RE: NMOCD Case No. 9898

Dear Michael:

Per your request at the hearing conducted on May 16, 1990, enclosed please find a copy of the proposed order we prepared for the Division's consideration in the referenced case.

As I had previously mentioned to you, we had drafted the following language regarding the withholding of funds:

The operator should account for all proceeds from unit production which are not disbursed for any reason in accordance with the Oil and Gas Proceeds Payment Act, §§70-10-1 et. seq. NMSA 1978.

\*Also admitted in the District of Columbia

\*\*Also admitted in California

\*\*\*Also admitted in Texas

† Admitted only in Colorado

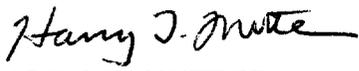
Michael E. Stogner, Examiner  
May 23, 1990  
Page Two  
-----

Because no unleased mineral interests were pooled in this case and no disputes as to title exist, our client preferred the language usually found in the "escrow" portion of the finding and decree, and it was incorporated in our proposed order. However, the indented provision may be an alternative which the Division may wish to consider in other situations.

If you have any questions regarding the proposed, please do not hesitate to call us.

Very Truly Yours,

GALLEGOS LAW FIRM

By   
HARRY T. NUTTER

HTN:ap

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

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

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

**CASE NO. 9898  
ORDER NO. R-\_\_\_\_\_**

**THE APPLICATION OF DOYLE HARTMAN,  
OIL OPERATOR FOR A NON-STANDARD  
PRORATION UNIT, SIMULTANEOUS  
DEDICATION AND COMPULSORY POOLING  
FOR THE EUMONT GAS POOL,  
LEA COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on May 16, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1990, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) The applicant, Doyle Hartman, Oil Operator, seeks approval for a 280-acre non-standard proration unit for the Eumont Gas Pool, comprising the SE/4 and the SE/4 SW/4 of Section 5 and the NE/4 NW/4 and the NE/4 NE/4 of Section 8, both in Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, said proration unit to be simultaneously dedicated to the Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8, the Britt-Laughlin Com. Well No. 5 (formerly the Laughlin "B" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5, and a new infill well, the Britt-Laughlin Com. Well No. 6, to be located 1860 feet from the South line and 760 feet from the East line (Unit I) of said Section 5.

(3) The entire proposed proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and can be efficiently and economically developed and exploited by the aforesaid Britt-Laughlin Com. Well Nos. 1, 5 and 6.

(4) The applicant also seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the proposed proration unit and consisting of the aforesaid SE/4 and SE/4 SW/4 of said Section 5 and the NE/4 NW/4 and NE/4 NE/4 of said Section 8.

(5) The applicant, Doyle Hartman, has the right to drill and proposes to drill a new infill well, the Britt-Laughlin Com. Well No. 6, to be located as above described.

(6) There are interest owners in the proposed proration unit who have not agreed to pool their interests.

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

(8) The applicant should be designated the operator of the subject wells and unit.

(9) Applicant should be permitted to recover \$188,750.00 as the reasonable and equitable value of the existing wellbore and associated equipment of the Britt-Laughlin Com. Well No. 1 (Unit C, Section 8) as compensation for the applicant's contribution of said well to the proposed proration unit.

(10) In the event the Britt-Laughlin Com. Well Nos. 1 and 6 are incapable of producing the entire allowable assigned to the proposed proration unit, applicant should be permitted to recover the reasonable and equitable value of the existing wellbore and associated equipment of the Britt-Laughlin Com. Well No. 5 (Unit O, Section 5) and the reasonable costs of reworking such well as compensation for applicant's contribution of such well to the proposed proration unit, such value and costs to be determined, in the absence of any voluntary agreement among the working interest owners, by the Division after public notice and hearing.

(11) Any non-consenting working interest owner should be afforded the opportunity to pay his share of the reasonable and equitable value (\$188,750.00) of the existing Britt-Laughlin Com. Well No. 1 (Unit C, Section 8) and the estimated well costs for the new infill well, the Britt-Laughlin Com. Well No. 6 (Unit I, Section 5), to the operator in lieu of paying his share of such value and costs out of unit production.

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

(13) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs for the new infill well, but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

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

(15) \$5,500.00 per month while drilling the new infill well and \$550.00 per well per month while producing the unit wells should be fixed as reasonable charges for supervision (combined fixed rates). The operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest owner. In addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject wells, not in excess of what are reasonable, attributable to each non-consenting working interest owner.

(16) All proceeds from unit production which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(17) Upon the failure of the operator of said pooled unit to commence drilling of the new infill well on said unit on or before November 16, 1990, the provision of the order pooling said unit should become null and void and of no further effect whatsoever.

(18) Should all the parties to the compulsory pooling reach voluntary agreement subsequent to entry of this order, the pooling provisions of this order should thereafter be of no further effect.

(19) The operator of the well and unit should notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the compulsory pooling provisions of this order.

(20) For purposes of assigning a gas allowable in the Eumont Gas Pool, the subject 280-acre non-standard gas proration unit should be assigned an acreage factor of 1.75.

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

**IT IS THEREFORE ORDERED THAT:**

(1) All mineral interests, whatever they may be, in the Eumont Gas Pool, underlying the SE/4 and SE/4 SW/4 of Section 5 and the NE/4 NW/4 and the NE/4 NE/4 of Section 8, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, are hereby pooled to form a non-standard 280-acre gas spacing and proration unit to be simultaneously dedicated to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8, the existing Britt-Laughlin Com. Well No. 5 (formerly the Laughlin "B" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5, and the new infill well, the Britt-Laughlin Com. Well No. 6, to be drilled at a point 1860 feet from the South line and 760 feet from the East line (Unit I) of said Section 5.

PROVIDED, HOWEVER, the operator of said unit shall commence the drilling of said new infill well on or before the 16th day of November, 1990, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Eumont Gas Pool.

PROVIDED FURTHER, in the event the unit operator does not commence the drilling of said new infill well on or before the 16th day of November, 1990, Decretory Paragraph No. (1) of this order regarding the pooling of all mineral interests shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

AND ALSO PROVIDED, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Decretory Paragraph No. (1) of this order regarding the pooling of all mineral interests should not be rescinded.

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

(3) After the effective date of this order and within 90 days prior to commencing the new infill well, the operator shall furnish the Division and each known working interest owner in the subject unit an itemized schedule of estimated well costs for the new infill well.

(4) Within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of the reasonable and equitable value (\$188,750.00) of the existing Britt-Laughlin Com Well No. 1 (Unit C, Section 8) and the estimated well costs for the new infill well, the Britt-Laughlin Com Well No. 6 (Unit I, Section 5), to the operator in lieu of paying his share of such value and costs out of unit production, and any such owner who pays his share of such value and costs within such 30 days shall remain liable for operating costs but shall not be liable for risk charges.

(5) The operator shall furnish the Division and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the infill well. If no objection to the actual well costs is received by the

Division and the Division has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, if there is an objection to actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.

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

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

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of the reasonable and equitable value of the Britt-Laughlin Com. Well No. 1 (\$188,570.00) and the estimated well costs of the new infill well (Britt-Laughlin Com. Well No. 6) within 30 days from the date the schedule of estimated well costs is furnished to him; and

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

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

(9) \$5,550.00 per month while drilling the new infill well and \$550.00 per well per month while producing the unit wells are hereby set as reasonable charges for supervision (combined fixed rates). The operator is hereby authorized to withhold from unit production the proportionate share of such supervision charges attributable to each non-consenting working interest owner. In addition thereto, the operator is hereby authorized to withhold from unit production the proportionate share of actual expenditures required for operating such wells, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) In the event the Britt-Laughlin Com. Well Nos. 1 and 6 are incapable of producing the entire allowable assigned to the unit, each working interest owner shall pay to the operator their pro rata share of the reasonable and equitable value of the existing wellbore and associated equipment of the Britt-Laughlin Com. Well No. 5 (Unit O, Section 5) and the reasonable costs of reworking such well. In the absence of a voluntary agreement among the working interest owners, such value and costs shall be determined by the Division after notice and hearing.

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

(12) Any well costs or charges which are to be paid out of production pursuant to this order shall be withheld only from the working interest owner's share of production, and no such costs or charges to be paid out of production pursuant to this order shall be withheld from production attributable to any royalty interest.

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

(14) Should all the parties to the compulsory pooling reach voluntary agreement subsequent to entry of this order, the pooling provisions of this order shall thereafter be of no further effect.

(15) The operator of the subject wells shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties to the compulsory pooling provisions of this order.

(16) The 280-acre non-standard gas proration unit herein authorized shall receive an acreage factor in the Eumont Gas Pool of 1.75 for allowable purposes to be produced from any well on said unit in any proportion; provided however, that the Britt-Laughlin Com. Well No. 5, located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5, shall not be permitted to produce more than a 160 acre allowable for the Eumont Gas Pool, as determined by well tests, if such well is subsequently restored to production.

(17) Any and all prior Division orders specifically relating to the lands comprising the unit hereby established and the mineral interests pooled therein are hereby superseded by this order to the extent they conflict herewith.

(18) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

June 15, 1990

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Mrr.J. E. Gallegos  
Gallegos Law Firm  
141 E. Palace  
Santa Fe, New Mexico

Re: CASE NO. 9898  
ORDER NO. R-9199

Applicant:  
Doyle Hartman

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD           x            
Artesia OCD           x            
Aztec OCD                           

Other William F. Carr