

CAMPBELL & BLACK, P.A.

LAWYERS

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MICHAEL B. CAMPBELL
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BRADFORD C. BERGE
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TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

January 15, 1991

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

RECEIVED

JAN 15 1991

OIL CONSERVATION DIV.
SANTA FE

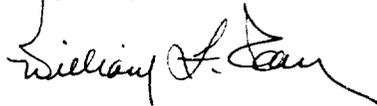
Re: Oil Conservation Commission Case No. 9994: (De Novo)
In the Matter of the Application of Doyle Hartman for Compulsory Pooling,
a Non-Standard Gas Proration Unit, and Simultaneous Dedication, Lea
County, New Mexico

Dear Mr. LeMay:

Chevron U.S.A. Inc., respectfully requests that this matter which is currently set on the Commission docket for the January 17, 1991 hearings be continued to the Commission hearings scheduled for February, 1991.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Joanne Reuter, Esq.
Mr. Al Bohling

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January 31, 1991

HAND-DELIVERED

Robert G. Stovall
General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501

RECEIVED
JAN 31 1991
OIL CONSERVATION DIVISION

Re: Oil Conservation Division Case No. 9994
Application of Doyle Hartman for Compulsory Pooling, a Non-Standard
Proration Unit and Simultaneous Dedication, Lea County, New Mexico

Dear Bob:

As Joanne Reuter and I discussed with you on January 28, 1991, Doyle Hartman and Chevron have been negotiating an Exchange Agreement which, among other things, will result in Mr. Hartman acquiring Chevron's interest in the spacing unit which is the subject of Case No. 9994 (Order No. R-9332). Chevron has sought a De Novo hearing in this case which is currently docketed for the February Commission hearing.

Chevron is concerned about certain unique provisions in Order No. R-9332 which relate only to the compulsory pooling portion of this Order. Accordingly, Chevron proposed that Order No. R-9332 be rescinded as a condition to the proposed exchange of property. However, Mr. Hartman has proceeded with the drilling of a well on this tract pursuant to the provisions of Order No. 9332. The provisions of this Order which relate to the non-standard proration unit, simultaneous dedication thereto and unorthodox location must remain in effect.

As we discussed with you on the 28th, the parties have entered into a Stipulation and Agreement, a copy of which is enclosed, in which they agree to rescinding all force pooling provisions in Order No., R-9332 and also stipulate that these provisions shall not be precedent in subsequent proceedings before the Division or Commission.

Robert G. Stovall
General Counsel
January 31, 1991
Page Two

If this Stipulation and Agreement between Mr. Hartman and Chevron is acceptable to the Oil Conservation Division and Commission, the parties can conclude the exchange agreement within the next few days and dismiss Chevron's De Novo appeal.

Joanne Reuter and I request that you advise us in writing if this Stipulation and Agreement is acceptable to the Division. If you desire to discuss this matter further, Ms Reuter and I are available to meet with you at your convenience.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Joanne Reuter, Esq.
Michael J. Evans

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January 31, 1991

HAND-DELIVERED

Joanne Reuter, Esq.
Gallegos Law Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case No. 9994
Application of Doyle Hartman for a compulsory pooling, a non-standard
proration unit and simultaneous dedication, Lea County, New Mexico

Dear Joanne:

Pursuant to our telephone conversation of this date, I am enclosing signed copies of the Stipulation and Agreement between Chevron and Hartman concerning the above-referenced Order and my letter to Bob Stovall requesting written confirmation that this Stipulation and Agreement is acceptable to the Oil Conservation Division.

As we agreed, should the parties not close the Exchange Agreement covering the properties involved in this case, it will be necessary for us to promptly execute an agreement on behalf of each of our clients rescinding this Stipulation and Agreement. You may treat my execution of the enclosed Stipulation and Agreement as my assurance that should this deal not close, I will execute such a document. Accordingly, your execution of this document on behalf of Mr. Hartman will represent your agreement that should the Exchange Agreement not close, you will likewise sign an appropriate document rescinding this Stipulation and Agreement.

I will contact Bob Stovall at the Oil Conservation Division later this morning concerning their response and will advise you after I talk to him.

Best regards.

Very truly yours,



WILLIAM F. CARR
WFC:mlh
Enclosures

RECEIVED
91 JAN 31 PM 11 32
GALLEGOS LAW FIRM P.C.

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

APPLICATION OF DOYLE HARTMAN FOR
COMPULSORY POOLING, A NON-
STANDARD GAS PRORATION UNIT,
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 9994
ORDER NO. R-9332

STIPULATION AND AGREEMENT

Chevron U.S.A. Inc. ("Chevron") and Doyle Hartman Oil Operator ("Hartman"), by and through their counsel of record, desire to formulate a procedure for the rescission of certain provisions in Oil Conservation Division Order No. R-9332 and to prevent the use of the rescinded provisions as precedent in subsequent Oil Conservation Division and Oil Conservation Commission hearings and for this purpose agree:

1. Hartman filed an application seeking an order pooling all mineral interests in the Eumont Gas Pool underlying the N/2 SE/4 and the SE/4 SE/4 of Section 5, and the NE/4 of Section 8, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico and the approval of a non-standard Eumont gas proration unit comprised of this land and authority to simultaneously dedicate the existing well on this acreage with a new well to be drilled thereon.

2. This application was docketed as Oil Conservation Division Case No. 9994 and was heard on June 28, 1990 by Examiner David Catanach.

3. On October 24, 1990 the Division entered Order No. R-9332 which granted the application of Hartman.

4. Chevron opposed Hartman's application at the Examiner hearing and timely sought a De Novo hearing before the Oil Conservation Commission. This case has been continued from time to time at the request of the parties and is currently scheduled for hearing on February 28, 1991.

5. Hartman and Chevron have negotiated the terms of an Exchange Agreement pursuant to which Hartman would acquire all of Chevron's working interest in the spacing unit which is the subject of this case.

6. As a part of this agreement, the parties have agreed that all provisions in Order No. R-9332 which relate to the compulsory pooling of the interests in this spacing unit should be rescinded, that the pooling provisions of this order will not be precedent for any subsequent case before the Oil Conservation Division or Commission, and that all remaining provisions of Order No. R-9332 which relate to the non-standard proration unit, simultaneous dedication thereof and unorthodox well location shall remain in full force and effect.

THEREFORE, Hartman and Chevron stipulate and agree:

1. That the force pooling provisions in Order No. R-9332 shall be deemed rescinded, that all remaining provisions of Order No. R-9332 which relate to the non-standard proration unit, simultaneous dedication thereof and unorthodox location shall remain in full force and effect and further stipulate and agree that the force pooling provisions in Order No. R-9332 shall not be precedent in any other proceeding before the Oil Conservation Division or Commission.

2. Hartman and Chevron agree that upon approval of this Stipulation and

Agreement by the Oil Conservation Division and upon the closing of the Exchange Agreement by which Hartman will acquire all of Chevron's interest in the spacing unit which is the subject of this case and Order No. R-9332, that Chevron's application for a De Novo hearing in this case shall be dismissed.

FOR CHEVRON U.S.A. INC.

By: William F. Carr
WILLIAM F. CARR
Campbell & Black, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

DATED: January 31, 1991

FOR DOYLE HARTMAN OIL OPERATOR

By: Joanne Reuter
JOANNE REUTER
The Gallegos Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501
Telephone: (505) 983-6686

DATED: January 31, 1991

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
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January 31, 1991

HAND-DELIVERED

Robert G. Stovall
General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case No. 9994
Application of Doyle Hartman for Compulsory Pooling, a Non-Standard
Proration Unit and Simultaneous Dedication, Lea County, New Mexico

Dear Bob:

As Joanne Reuter and I discussed with you on January 28, 1991, Doyle Hartman and Chevron have been negotiating an Exchange Agreement which, among other things, will result in Mr. Hartman acquiring Chevron's interest in the spacing unit which is the subject of Case No. 9994 (Order No. R-9332). Chevron has sought a **De Novo** hearing in this case which is currently docketed for the February Commission hearing.

Chevron is concerned about certain unique provisions in Order No. R-9332 which relate only to the compulsory pooling portion of this Order. Accordingly, Chevron proposed that Order No. R-9332 be rescinded as a condition to the proposed exchange of property. However, Mr. Hartman has proceeded with the drilling of a well on this tract pursuant to the provisions of Order No. 9332. The provisions of this Order which relate to the non-standard proration unit, simultaneous dedication thereto and unorthodox location must remain in effect.

As we discussed with you on the 28th, the parties have entered into a Stipulation and Agreement, a copy of which is enclosed, in which they agree to rescinding all force pooling provisions in Order No., R-9332 and also stipulate that these provisions shall not be precedent in subsequent proceedings before the Division or Commission.

Robert G. Stovall
General Counsel
January 31, 1991
Page Two

If this Stipulation and Agreement between Mr. Hartman and Chevron is acceptable to the Oil Conservation Division and Commission, the parties can conclude the exchange agreement within the next few days and dismiss Chevron's De Novo appeal.

Joanne Reuter and I request that you advise us in writing if this Stipulation and Agreement is acceptable to the Division. If you desire to discuss this matter further, Ms Reuter and I are available to meet with you at your convenience.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enc.: Joanne Reuter, Esq.
Michael J. Evans

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

APPLICATION OF DOYLE HARTMAN FOR
COMPULSORY POOLING, A NON-
STANDARD GAS PRORATION UNIT,
AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

RECEIVED
OIL CONSERVATION DIVISION
CASA BLANCA
CASA NO. 9994
ORDER NO. R-9332

STIPULATION AND AGREEMENT

Chevron U.S.A. Inc. ("Chevron") and Doyle Hartman Oil Operator ("Hartman"), by and through their counsel of record, desire to formulate a procedure for the rescission of certain provisions in Oil Conservation Division Order No. R-9332 and to prevent the use of the rescinded provisions as precedent in subsequent Oil Conservation Division and Oil Conservation Commission hearings and for this purpose agree:

1. Hartman filed an application seeking an order pooling all mineral interests in the Eumont Gas Pool underlying the N/2 SE/4 and the SE/4 SE/4 of Section 5, and the NE/4 of Section 8, Township 21 South, Range 36 East, N.M.P.M., Lea County, New Mexico and the approval of a non-standard Eumont gas proration unit comprised of this land and authority to simultaneously dedicate the existing well on this acreage with a new well to be drilled thereon.

2. This application was docketed as Oil Conservation Division Case No. 9994 and was heard on June 28, 1990 by Examiner David Catanach.

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5. Hartman and Chevron have negotiated the terms of an Exchange Agreement pursuant to which Hartman would acquire all of Chevron's working interest in the spacing unit which is the subject of this case.

6. As a part of this agreement, the parties have agreed that all provisions in Order No. R-9332 which relate to the compulsory pooling of the interests in this spacing unit should be rescinded, that the pooling provisions of this order will not be precedent for any subsequent case before the Oil Conservation Division or Commission, and that all remaining provisions of Order No. R-9332 which relate to the non-standard proration unit, simultaneous dedication thereof and unorthodox well location shall remain in full force and effect.

THEREFORE, Hartman and Chevron stipulate and agree:

1. That the force pooling provisions in Order No. R-9332 shall be deemed rescinded, that all remaining provisions of Order No. R-9332 which relate to the non-standard proration unit, simultaneous dedication thereof and unorthodox location shall remain in full force and effect and further stipulate and agree that the force pooling provisions in Order No. R-9332 shall not be precedent in any other proceeding before the Oil Conservation Division or Commission.

2. Hartman and Chevron agree that upon approval of this Stipulation and

Agreement by the Oil Conservation Division and upon the closing of the Exchange Agreement by which Hartman will acquire all of Chevron's interest in the spacing unit which is the subject of this case and Order No. R-9332, that Chevron's application for a De Novo hearing in this case shall be dismissed.

FOR CHEVRON U.S.A. INC.

By: William F. Carr
WILLIAM F. CARR
Campbell & Black, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

DATED: January 31, 1991

FOR DOYLE HARTMAN OIL OPERATOR

By: _____
JOANNE REUTER
The Gallegos Firm
141 E. Palace Avenue
Santa Fe, New Mexico 87501
Telephone: (505) 983-6686

DATED: _____



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Sanja G

BRUCE KING
GOVERNOR

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

HAND DELIVERED

February 1, 1991

Mr. William F. Carr
Campbell & Black, P.C.
P.O. Box 2208
Santa Fe, NM 87504

Ms. Joanne Reuter
Gallegos Law Firm
141 E. Palace Avenue
Santa Fe, NM 87501

Re: OCD Case 9944, Order R-9332

Dear Bill and Joanne:

I have received and reviewed your STIPULATION AND AGREEMENT entered in the above case. This serves as adequate notice that the parties have reached agreement, and the the force-pooling provisions of the order therefore are, under the provisions of the order, no longer of force and effect.

Sincerely,

Robt G. Stovall

Robert G. Stovall,
General Counsel

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
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TELECOPIER: (505) 983-6043

February ⁵/~~4~~, 1991

HAND-DELIVERED

RECEIVED

Robert G. Stovall
General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501

FEB 04 1991

OIL CONSERVATION DIV.
SANTA FE

Re: Oil Conservation Division Case No. 9994
Application of Doyle Hartman for Compulsory Pooling, a Non-Standard
Proration Unit and Simultaneous Dedication, Lea County, New Mexico

Dear Bob:

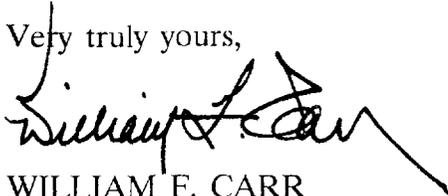
Thank you for your letter of February 1, 1991 acknowledging receipt of the Stipulation and Agreement entered by Hartman and Chevron in the above-referenced case and, acknowledging that the pooling provisions in Order No. R-9332 will be of no further force and effect once the parties close their Exchange Agreement and Mr. Hartman acquires all rights in the subject proration unit.

The purpose of this letter is to confirm that the Stipulation and Agreement entered between the parties is now and will remain a part of the official record of OCD Case 9994, that the Commission will be advised that this Stipulation and Agreement has been entered by the parties when the case is called for hearing on February 28, 1991, and that at that time, unless otherwise advised by the parties, the application of Chevron U.S.A. Inc. for hearing **De Novo** in this case will be dismissed.

Robert G. Stovall, Esq.
Re: Oil Conservation Division Case No. 9994
February 4, 1991
Page Two

If this is acceptable to the Division, please execute a copy of this letter and return a copy to me and Joanne Reuter for our files.

Very truly yours,



WILLIAM F. CARR
WFC:mlh

cc: Joanne Reuter, Esq.
Michael J. Evans

APPROVED:



ROBERT G. STOVALL
General Counsel
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

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

March 22, 1991

CAMBELL & BLACK
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 9994
ORDER NO. R-9332-A

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

by sl

FD/sl

cc: Joanne Reuter
BLM Carlsbad Office