

January 29, 1991
OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Note To File: Case No. 10008

The subject matter in the attached application was heard before an Examiner at the January 24, 1991 Hearing. Therefore this filing is considered unnecessary and the ~~subject matter~~ should be fully considered under the hearing process. Further, the attached documents should be made a part of the file in Case No. 10008.

Michael J. Clayton

5713134
DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

January 14, 1991

Mr. William J. LeMay, Director
Oil Conservation Division
Energy, Minerals & Natural Resources Department
Post Office Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. Jim Morrow
Chief Engineer

120 acres

Re: Administrative Application for
Non-Standard Proration Unit
Carter-Eaves "NCT-A" No. 2
Jalmat (T-Y-7R) Pro Gas Pool
E/2 W/2 and NW/4 NW/4
Section 6, T-24-S, R-37-E
Lea County, New Mexico

Gentlemen:

We are in the process of filing Forms C-101 and C-102 with the Oil Conservation Division District I Hobbs office for permission to drill our proposed Carter-Eaves "NCT-A" No. 2 Jalmat (Gas) infill well at a standard Jalmat (Gas) location consisting of 660' FNL and 924' FWL (D), Section 6, T-24-S, R-37-E, Lea County, New Mexico.

In conjunction with the above, Doyle Hartman respectfully request your administrative approval creating a non-standard proration unit for the Jalmat Gas Pool consisting of 197.75 acres, more or less and comprising Lots 3 and 4, the SE/4 NW/4 and the E/2 SW/4 of Section 6, T-24-S, R-37-E, Lea County, New Mexico.

Doyle Hartman has reached an agreement with Chevron USA, who had opposed the creation of the referenced non-standard proration unit, to obtain their right, title and interest in the currently existing 159.8 acre Jalmat non-standard proration unit consisting of Lot 3, the SE/4 NW/4 and the E/2 SW/4 of Section 6 currently dedicated to the Chevron USA Inc. Carter-Eaves "NCT-A" No. 1 well (NSP-726). Doyle Hartman is also a working interest owner in Lot 4 of Section 6 which is currently undedicated and undeveloped as to the Jalmat Gas Pool.

Therefore, Doyle Hartman proposes to dedicate the 197.75 acre non-standard Jalmat gas proration unit to the proposed Carter-Eaves "NCT-A" No. 2 replacement well to be drilled at 660' FNL and 924' FWL (Unit D) of Section 6.

January 14, 1991

Page 2

Simultaneous dedication of the existing Chevron - Carter-Eaves "NCT-A" No. 1 well (Unit C) and the proposed Hartman - Carter-Eaves "NCT-A" No. 2 (Unit D) will not be necessary as Chevron has agreed to abandon the dually completed No. 1 well which currently produces from the Jalmat Gas Pool through the casing-tubing annulus and also serves as the Texaco, Inc. Myers Langlie Mattix Unit Well No. 136 for injection of water into the Langlie Mattix Pool.

Based upon the above and in order to prevent waste, protect correlative rights and permit all parties to obtain their equitable share of the Jalmat gas underlying the proposed unit, Doyle Hartman respectfully requests your approval of this Administrative Application under the provisions of Rule 104(F). Attached are three (3) copies of a color coded land map outlining the subject 197.75 acre proposed non-standard proration unit as well as the location of the existing Chevron - Carter-Eaves "NCT-A" No. 1 well and the proposed location of our Carter-Eaves "NCT-A" No. 2 infill Jalmat gas well for your review. Supplementing the map is a companion table describing by tract number and color all Jalmat gas proration units (including the operator of the Jalmat gas rights) that offset the proposed Carter-Eaves "NCT-A" No. 2 infill well.

Complete copies of this application have also been sent by certified mail to all offsetting parties owning Jalmat Gas rights as described on the enclosed plat and table.

Very truly yours,

DOYLE HARTMAN

Michael Stewart/lr

Michael Stewart
Engineer

MS/lr
Enclosure
515:OCD0114

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

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

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702-0494

Meridian Oil Inc.
Attention: Mr. Charles Brown
21 Desta Drive
Midland, Texas 79705

ARCO Oil & Gas Company
Attention: Mr. J. A. Nicholson
Post Office Box 1610
Midland, Texas 79702-1610

Texaco, Inc.
Attention: Mr. R. S. Lane
Post Office Box 3109
Midland, Texas 79702-3109

Conoco, Inc.
Attention: Mr. Jerry Hoover
10 Desta Drive West
Midland, Texas 79705

Amoco Production Company
Attention: Proration
Post Office Box 3092
Houston, Texas 77253-3092



CURRENT JALMAT P.U.'S & WELLS OFFSETTING
THE E/2 W/2 & NW/4 NW/4 SEC. 6, T-24-S, R-37-E
LEA COUNTY, NEW MEXICO

Color	Operator/Address	Lease Name	Well No.	Location	P.U. Description	Acres	AF
(Green)	Meridian Oil, Inc. 21 Desta Drive Midland, TX 79705 Attention: Mr. Dennis Sledge	Holt-Mexico St. Com	#1	0-36-23S-36E	SE/4 Sec. 36 T-23-S, R-36-E	160	1.00
(Pink)	Texaco USA, Inc. P.O. Box 3109 Midland, Texas 79702 Attention: Mr. Steve Chandler	E.E. Blinebry "A" Fed. "NCT 1 CO"	#2	I-31-23S-37E	SW/4, N/2 SE/4, SE/4 SE/4 Sec. 31 & S/2 SW/4 Sec. 32, T-23-S, R-37-E	360	2.25
(Blue)	Conoco, Inc. 10 Desta Drive West Midland, Texas 79705 Attention: Mr. David Wacker	Vaughan "B-1"	#6 #1	E-01-24S-36E H-01-24S-36E	N/2 Sec. 1 T-24-S, R-36-E	320	2.00
(Orange)	ARCO Oil & Gas Co. P.O. Box 1610 Midland, Texas 79702 Attention: Ms. Penny Judge	Jim Camp "WN"	#2	E-06-24S-37E	Lots 5, 6 & 7, Sec. 6 T-24-S, R-37-E	113.6	.710
(Green)	Amoco P.O. Box 3092 Houston, Texas 77253 Attention: Mr. Stephen A. Reinert	Meyers "B" Fed. RA "B"	#11 #31	B-06-24S-37E G-06-24S-37E	NE/4 Sec. 6 T-24-S, R-37-E	160	1.00
(Purple)	Meridian Oil, Inc. 21 Desta Drive Midland, Texas 79705 Attention: Mr. Dennis Sledge	Courtland Meyers	#9	P-06-24S-37-E	SE/4 Sec. 6 T-24-S, R-37-E	160	1.00
(Pink)	Amoco P.O. Box 3092 Houston, Texas 77253 Attention: Mr. Stephen A. Reinert	Meyers "B" Fed. RA "B" Meyers "B" Fed. RA "A"	#33 #1	B-07-24S-37E D-07-24S-37E	N/2 Sec. 7 T-24-S, R-37-E	320	2.00

DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

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

Attention: Mr. Jim Morrow
Chief Engineer

Re: Administrative Application for
Non-Standard Proration Unit
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Jalmat (T-Y-7R) Pro Gas Pool
E/2 W/2 and NW/4 NW/4
Section 6, T-24-S, R-37-E
Lea County, New Mexico

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We are in the process of filing Forms C-101 and C-102 with the Oil Conservation Division District I Hobbs office for permission to drill our proposed Carter-Eaves "NCT-A" No. 2 Jalmat (Gas) infill well at a standard Jalmat (Gas) location consisting of 660' FNL and 924' FWL (D), Section 6, T-24-S, R-37-E, Lea County, New Mexico.

In conjunction with the above, Doyle Hartman respectfully request your administrative approval creating a non-standard proration unit for the Jalmat Gas Pool consisting of 197.75 acres, more or less and comprising Lots 3 and 4, the SE/4 NW/4 and the E/2 SW/4 of Section 6, T-24-S, R-37-E, Lea County, New Mexico.

Doyle Hartman has reached an agreement with Chevron USA, who had opposed the creation of the referenced non-standard proration unit, to obtain their right, title and interest in the currently existing 159.8 acre Jalmat non-standard proration unit consisting of Lot 3, the SE/4 NW/4 and the E/2 SW/4 of Section 6 currently dedicated to the Chevron USA Inc. Carter-Eaves "NCT-A" No. 1 well (NSP-726). Doyle Hartman is also a working interest owner in Lot 4 of Section 6 which is currently undedicated and undeveloped as to the Jalmat Gas Pool.

Therefore, Doyle Hartman proposes to dedicate the 197.75 acre non-standard Jalmat gas proration unit to the proposed Carter-Eaves "NCT-A" No. 2 replacement well to be drilled at 660' FNL and 924' FWL (Unit D) of Section 6.

Simultaneous dedication of the existing Chevron - Carter-Eaves "NCT-A" No. 1 well (Unit C) and the proposed Hartman - Carter-Eaves "NCT-A" No. 2 (Unit D) will not be necessary as Chevron has agreed to abandon the dually completed No. 1 well which currently produces from the Jalmat Gas Pool through the casing-tubing annulus and also serves as the Texaco, Inc. Myers Langlie Mattix Unit Well No. 136 for injection of water into the Langlie Mattix Pool.

Based upon the above and in order to prevent waste, protect correlative rights and permit all parties to obtain their equitable share of the Jalmat gas underlying the proposed unit, Doyle Hartman respectfully requests your approval of this Administrative Application under the provisions of Rule 104(F). Attached are three (3) copies of a color coded land map outlining the subject 197.75 acre proposed non-standard proration unit as well as the location of the existing Chevron - Carter-Eaves "NCT-A" No. 1 well and the proposed location of our Carter-Eaves "NCT-A" No. 2 infill Jalmat gas well for your review. Supplementing the map is a companion table describing by tract number and color all Jalmat gas proration units (including the operator of the Jalmat gas rights) that offset the proposed Carter-Eaves "NCT-A" No. 2 infill well.

Complete copies of this application have also been sent by certified mail to all offsetting parties owning Jalmat Gas rights as described on the enclosed plat and table.

Very truly yours,

DOYLE HARTMAN

Michael Stewart/lr

Michael Stewart
Engineer

MS/lr
Enclosure
515:OCD0114

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

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

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702-0494

Meridian Oil Inc.
Attention: Mr. Charles Brown
21 Desta Drive
Midland, Texas 79705

ARCO Oil & Gas Company
Attention: Mr. J. A. Nicholson
Post Office Box 1610
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DOYLE HARTMAN

Oil Operator

500 N. MAIN

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Michael Stewart/lr

Michael Stewart
Engineer

MS/lr
Enclosure
515:OCD0114

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

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Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702-0494

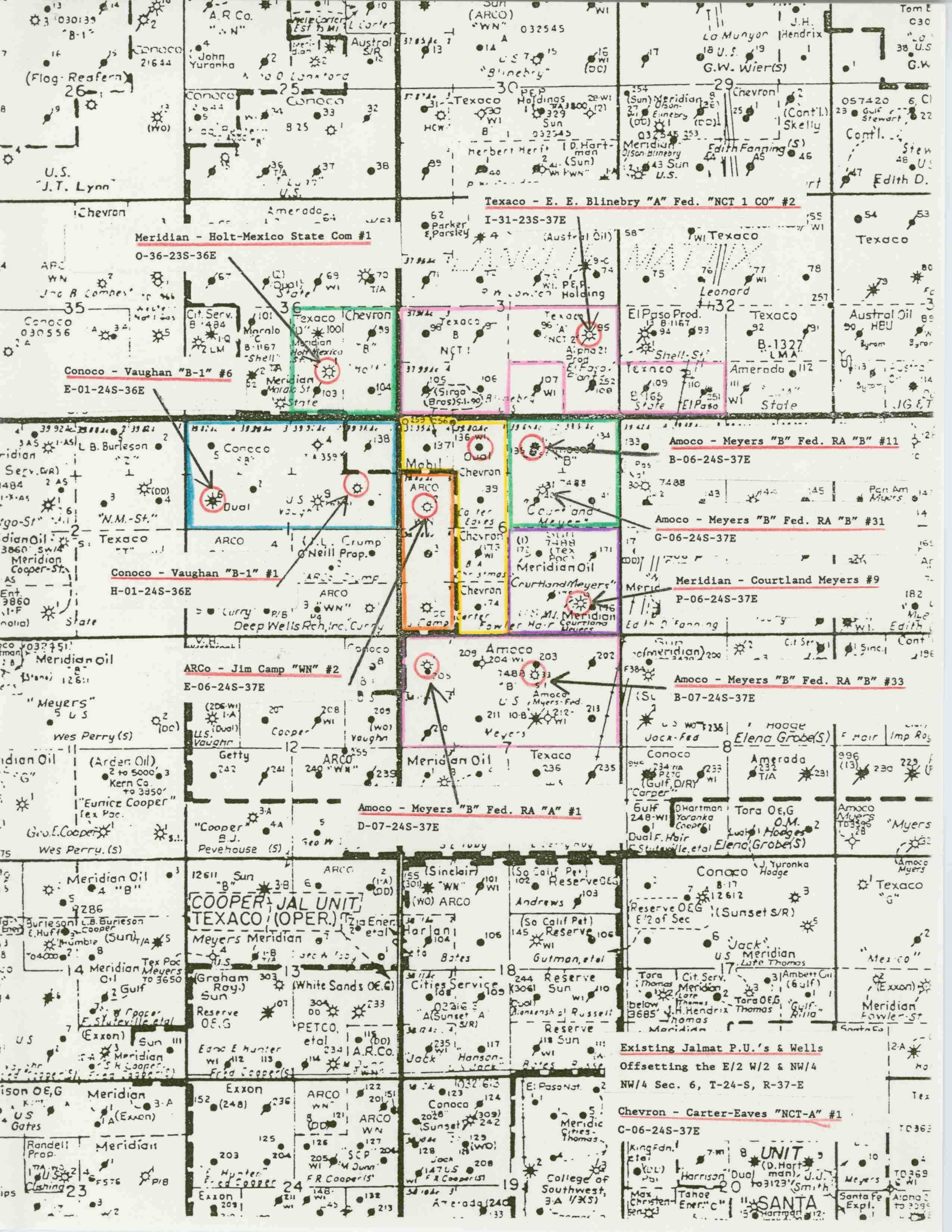
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DOYLE HARTMAN

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

January 14, 1991

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Offset Jalmat (Gas) Operators
Carter-Eaves "NCT-A" No. 2
E/2 W/2 and NW/4 NW/4
Section 6, T-24-S, R-37-E
Lea County, New Mexico

Gentlemen:

We respectfully request your approval of our Administrative Request before the New Mexico Oil Conservation Division for the creation of a non-standard proration unit for the Jalmat Gas Pool consisting of 197.75 acres and comprising Lots 3 and 4, the SE/4 NW/4 and the E/2 SW/4 of Section 6, T-24-S, R-37-E, Lea County, New Mexico. It is our intent to dedicate the proposed 197.75 acre non-standard Jalmat gas proration unit to our newly proposed Carter-Eaves "NCT-A" No. 2 well to be drilled at a standard location of 660' FNL and 924' FWL (Unit D) of Section 6, T-24-S, R-37-E.

Please indicate your approval of our requests by signing one (1) copy of this waiver and returning it in the enclosed stamped, self-address envelope at your earliest convenience.

Thank you for your consideration in this matter.

Very truly yours,

DOYLE HARTMAN

Michael Stewart

Michael Stewart
Engineer

MS/lr
Enclosures
515:OJG00114

cc Mr. William J. LeMay
✓ New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

197.75
159.80
37.95

OFFSET JALMAT GAS OPERATORS

January 14, 1991

Page 2

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

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

APPROVED THIS _____ DAY OF _____, 1991.

MERIDIAN OIL, INC.

By: _____

Title: _____

APPROVED THIS _____ DAY OF _____, 1991.

TEXACO, INC.

By: _____

Title: _____

APPROVED THIS _____ DAY OF _____, 1991.

CONOCO, INC.

By: _____

Title: _____

OFFSET JALMAT GAS OPERATORS

January 14, 1991

Page 3

APPROVED THIS _____ DAY OF _____ , 1991.

ARCO OIL & GAS COMPANY

By: _____

Title: _____

APPROVED THIS _____ DAY OF _____ , 1991.

AMOCO PRODUCTION COMPANY

By: _____

Title: _____



AMOCO
'91 JAN 26 AM 8 53
Amoco Production Company
Houston Region
501 WestLake Park Boulevard
Post Office Box 3092
Houston, Texas 77253

James F. Trickett
Regional Environmental, Safety &
Regulatory Affairs Manager

January 24, 1991

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Non-Standard Proration Unit
Carter-Eaves "NCT-A" No. 2
Unit D, Section 6, T24S, R37E
Lea County, New Mexico

File: JCA-1216-986.51NM

Attention: William J. LeMay

Amoco Production Company has been advised that Doyle Hartman Oil Operator has filed an application for administrative approval of a 197.75-acre non-standard gas proration unit for the Carter-Eaves "NCT-A" No. 2, located in Unit D, Section 6, T24S, R37E, Lea County, New Mexico.

As an offset operator, Amoco Production Company has no objection to Doyle Hartman's request for NMOCD approval of a 197.75-acre non standard gas proration unit for the subject well located in the the Jalmat Gas Pool.

Yours very truly,

James F. Trickett
MLC/ *MLC*

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

FACSIMILE TRANSMISSION

Addressee's Telecopier Phone

827-5741

Date

Page

1 of 3

TO: Mike Stogner

Company

OCD

Location

Santa Fe

FROM: Evelyn Downs

Company

OCD

Location

Hobbs

Per Our Conversation

Let me know if we can approve
with stipulation concerning production.

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OR.
WELL ☐

GAS
WELL ☒

OTHER

SEV-
ZONE ☐

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

Carter-Eaves "NCT-A"

8. Well No.

2

9. Pool name or Wildcat

Jalmat (T-Y-7R) Pro Gas

2. Name of Operator

Doyle Hartman

3. Address of Operator

P. O. Box 10426, Midland, Texas 79702

4. Well Location

Unit Letter D : 660 Feet From The North Line and 924 Feet From The West Line

Section

6

Township

24-S

Range

37-E

NMPM

Lea

County

10. Proposed Depth

3600'

11. Formation

T-Y-7R

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3317.3 GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Cactus Drilling

16. Approx. Date Work will start

February 3, 1991

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	9-5/8"	36	450'	350 sx	Surface
8-3/4"	7"	23	3600'	700 sx	Surface

Before drilling out from under surface pipe, the well will be equipped with a 3000 psi 10" series 900 double ram hydraulic BOP and Hydril surface pipe and rams will be tested to minimum 1500 psig. Cement volumes may be adjusted to insure that the cement behind both the 9-5/8" and 7" casing will be brought to surface.

Jan. 29, 1991

APD should be approved for drilling only. C-104 should be held up until an order is issued in Case 10008 and when proper forms are filed on the #1 well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

Michael Stewart

TITLE

Engineer

DATE 1-9-91

TYPE OR PRINT NAME

Michael Stewart

TELEPHONE NO. 915/684-401

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer 100, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator DOYLE HARTMAN			Lease Carter Eaves NCT-A		Well No. 2
Unit Letter D	Section 6	Township 24 South	Range 37 East	County Lea	
Actual Footage Location of Well: 660 feet from the North line and 924 feet from the West line					
Ground level Elev. 3317.3	Producing Formation Tansil-Yates-7 Rivers		Pool Jalmat (T-Y-7R)	Dedicated Acreage: 197.75 Acres	

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

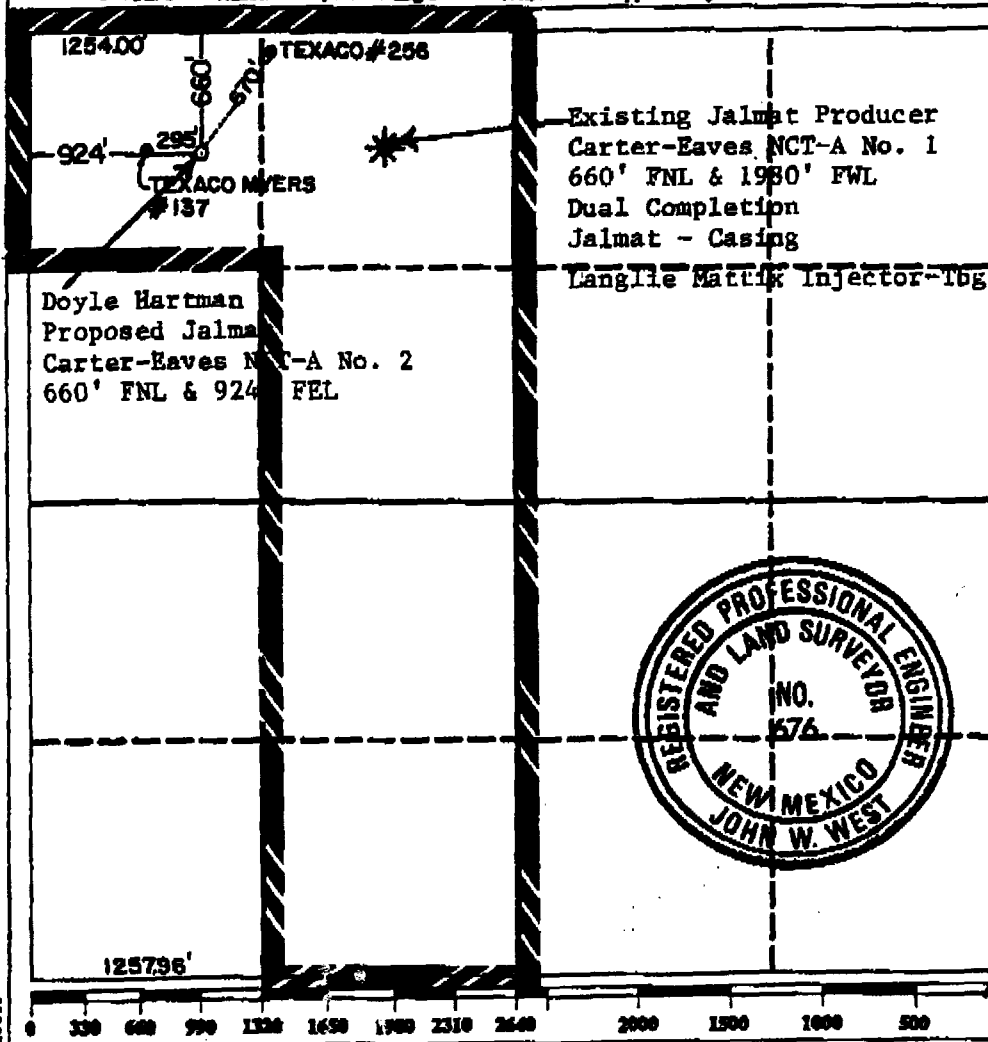
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

☐ Yes ☐ No If answer is "yes" type of consolidation

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

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



OPERATOR CERTIFICATION

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

Signature

Printed Name

Michael Stewart

Position

Engineer

Company

Doyle Hartman

Date

January 9, 1991

SURVEYOR CERTIFICATION

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

Date Surveyed

June 9, 1990

Signature & Seal of Professional Surveyor

[Signature]

Professional No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 2239

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. 10008
Order No. R-9437

APPLICATION OF DOYLE HARTMAN FOR A
NON-STANDARD GAS PRORATION UNIT,
COMPULSORY POOLING, AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 24, 1991, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW on this 11th day of February, 1991, 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, seeks approval for a non-standard 197.75-acre gas spacing and proration unit for the Jalmat Gas Pool. The unit would consist of Lots 3 and 4, the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. Said unit is to be dedicated to the Doyle Hartman Carter Eaves NCT A Well 2 to be drilled as a Jalmat gas well at a location 660 feet from the North line and 924 feet from the West line (Unit D) of said Section 6.

(3) The applicant had also sought approval for compulsory pooling and an unorthodox gas well location but at the hearing asked the Division to dismiss these parts of the application.

(4) Rule 4(b)2 of the Jalmat Gas Pool Rules, as promulgated by Division Order No. R-8170, as amended, provides that in establishing a non-standard gas proration unit, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

<u>LOCATION</u>	<u>MAXIMUM ACREAGE</u>
660-660	160 acres
660-990	320 acres
990-990	600 acres

(5) Applicant's witness requested approval to assign 197.75 acres to the Carter Eaves NCT A Well No. 1 since, in his opinion, the distance of the well from the two nearest lease lines would allow more than 160 acres and only slightly less than 320 acres to be assigned based on the well location and an interpolation of the distance requirements shown above in Finding No. (4). This is a reasonable interpretation of the rule.

(6) Chevron USA Inc. currently operates a Jalmat Gas Pool well (Carter Eaves NCT A Well No. 1) located in Lot 3 (Unit C) of said Section 6. The Chevron well has a 159.8-acre proration unit assigned to it which Doyle Hartman is proposing to include in the proration unit for his Carter Eaves NCT A Well No. 2. Chevron and Hartman have reached an agreement providing for the abandonment of Jalmat production in the Chevron well so that the 159.8 acres currently assigned to it may be assigned to the proration unit for the Hartman well.

(7) Lot 4 of said Section 6 which would also be included in the proration unit for the Hartman Carter Eaves NCT A Well No. 2 is currently undeveloped and unassigned.

(8) The proposed 197.75-acre proration unit appears to be productive of gas from the Jalmat Gas Pool.

(9) Chevron appeared at the hearing and indicated they are in agreement with the proposal. No other offset operator or interest owner appeared at the hearing in opposition to the application.

(10) Approval of the application will enable the applicant to recover the remaining gas reserves underlying the proposed proration unit, prevent waste, and protect correlative rights.

Page 3
Case No. 10008
Order No. R-9437

IT IS THEREFORE ORDERED THAT:

(1) A non-standard 197.75-acre gas spacing unit consisting of Lots 3 and 4, the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Doyle Hartman Carter Eaves NCT A Well No. 2 to be drilled as a Jalmat Gas Pool producing well at a location 660 feet from the North line and 924 feet from the West line (Unit D) of said Section 6.

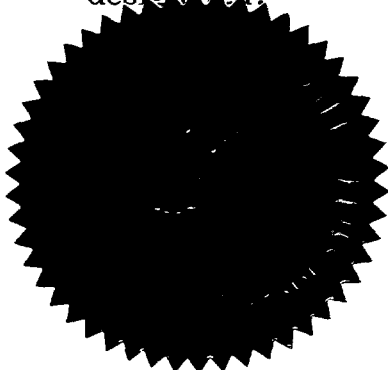
(2) For purposes of assigning gas allowable, the subject proration unit shall be assigned an acreage factor of 1.24 in the Jalmat Gas Pool.

(3) The Chevron USA Inc. Carter Eaves NCT A Well No. 1 shall be plugged off in the Jalmat Gas Pool producing interval before the gas allowable provided for in ordering paragraph No. (2) above is assigned. Plugging procedures shall be approved by the Hobbs district office of the Oil Conservation Division.

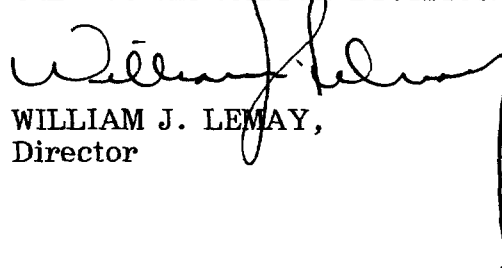
(5) The compulsory pooling and unorthodox gas well location portions of this application are hereby dismissed.

(6) 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

dr/