

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF HOWARD OLSEN
TO REOPEN CASE NOS. 8668 and
8769, LEA COUNTY, NEW MEXICO.

RECEIVED

AUG 17 1987

OIL CONSERVATION DIVISION

APPLICATION

Case 8668

Howard Olsen, in support of his Application to Reopen Case Nos. 8668 and 8769, would show that:

1. The Division has continuing jurisdiction over Case Nos. 8668 and 8769 pursuant to its retention of jurisdiction as stated in the orders issued therein.

CASE NO. 8668
ORDER NO. R-8031

2. Doyle Hartman applied in Case No. 8668 for an order force pooling all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying all of Section 23, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Applicant herein was one of the mineral interest owners who Doyle Hartman sought to force pool. The Division entered Order No. R-8031 on September 27, 1985 granting the application.

3. Order No. R-8031 required, among other things, that:

PROVIDED FURTHER THAT,

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

(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 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 costs; provided however, if there is an objection to the actual well costs within said 45-day period the Division will determine reasonable well costs after public notice and hearing.. . .

The well contemplated by Order No. R-8031 was spudded on September 10, 1985 and completed on October 4, 1985.

4. Despite the express requirements of Order No. R-8031, specifically set forth in Paragraph 4 above, Applicant did not receive an itemized schedule of estimated well costs following the effective date of Order No. R-8031, and prior to the commencement of the well, as contemplated by the Order. Furthermore, following the completion of the well, Applicant did not receive an itemized schedule of actual well costs as required by the Order.

CASE NO. 8769
ORDER NO. R-8091

5. Doyle Hartman applied in Case No. 8769 for an order force pooling all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying all of Section 26, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Applicant herein was one of the mineral interest owners who Doyle Hartman sought to force pool. The Division enters Order No. R-8091 on December 6, 1985 granting the application.

6. Order No. R-8091 required, among other things, that:

PROVIDED FURTHER THAT,

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

(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 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.. . .

The well contemplated by Order No. R-8091 was spudded on December 10, 1985 and completed on January 5, 1986.

7. Despite the express requirements of Order No. R-8091, specifically set forth above, Applicant did not receive an itemized schedule of estimated well costs following the effective date of Order No. R-8091, and prior to the commencement of the well, as stated by the Order. Following the completion of the well, Applicant did not receive an itemized schedule of actual well costs as required by the Order.

WHEREFORE, Applicant, Howard Olsen, requests that the Division:

(a) Reopen Case Nos. 8868 and 8769 to determine whether Doyle Hartman has complied with the express requirements of Order Nos. R-8031 and R-8091 entered therein.

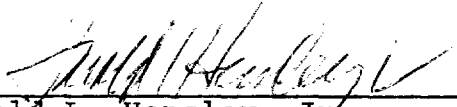
(b) Order complete compliance with Order Nos. R-8031 and R-8091.

(c) In the alternative to Request (b) above, order that Order Nos. R-8031 and R-8091 be withdrawn in their entirety.

(d) Issue such Orders as may be necessary to protect Applicant's interests in the subject property and to achieve justice as the Division may deem appropriate.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By:



Harold L. Hensley, Jr.
Michael F. Millerick
P.O. Box 10
Roswell, NM 88201
(505) 622-6510

HINKLE, COX, EATON, COFFIELD & HENSLEY

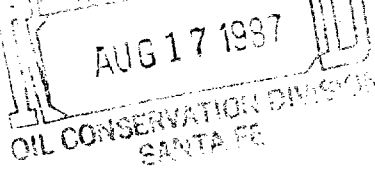
ATTORNEYS AT LAW

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OF COUNSEL
ROY C. SNOODGRASS, JR.
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)

August 14, 1987

*NOT LICENSED IN NEW MEXICO

Ms. Florene Davidson
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

RE: Application of Howard Olsen to Reopen Case Nos.
8668 and 8769, Lea County, New Mexico

Dear Ms. Davidson:

Please find enclosed the signed Acceptance of Service by Robert H. Strand on behalf of Doyle Hartman in the above-referenced matter.

If you should have any questions, please do not hesitate to call me.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY


Michael F. Millerick

drh
Enclosure
cc: Robert H. Strand

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

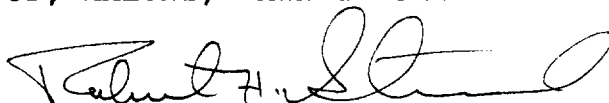
APPLICATION OF HOWARD OLSEN
TO REOPEN CASE NOS. 8668 and
8769, LEA COUNTY, NEW MEXICO

ACCEPTANCE OF SERVICE

COMES NOW, ATWOOD, MALONE, MANN & TURNER (Robert H. Strand)
and hereby accepts service of the Application on behalf of
Defendant, Doyle Hartman.

ATWOOD, MALONE, MANN & TURNER

By:



Robert H. Strand
P.O. Box 700
Roswell, NM 88201
(505) 622-6221

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.
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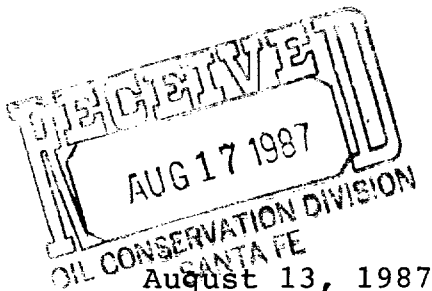
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OF COUNSEL
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W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)



*NOT LICENSED IN NEW MEXICO

Mr. Robert H. Strand
Atwood, Malone, Mann & Turner
P.O. Box 700
Roswell, NM 88201

RE: Howard Olsen v. Doyle Hartman

Dear Mr. Strand:

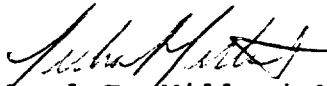
Enclosed please find Plaintiff's Application filed with the Oil Conservation Division. Hearing on this matter has been set for October 7, 1987. Also please find enclosed a copy of the Complaint for Accounting and Summons, CV-87-806-J filed in the Lea County District Court in this matter.

I would ask that you sign the Acceptance of Service and Acceptance of Service/Entry of Appearance that are also enclosed and return them to me so that I may file them.

Please do not hesitate to call me should you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY


Michael F. Millerick

MFM/drh
Enclosures

cc: Robert H. Strand (certified)
✓ Florene Davidson, O.C.D.

FIFTH JUDICIAL DISTRICT COURT
COUNTY OF LEA
STATE OF NEW MEXICO

HOWARD OLSEN,)
)
 Plaintiff,)
)
 vs.) NO. _____
)
 DOYLE HARTMAN,)
)
 Defendant.)

ACCEPTANCE OF SERVICE
ENTRY OF APPEARANCE

COMES NOW, ATWOOD, MALONE, MANN & TURNER (Robert H. Strand) and hereby enters their appearance and accept service of the Complaint for Accounting on behalf of Defendant, Doyle Hartman, reserving 30 days from the date hereof to file its Answer.

ATWOOD, MALONE, MANN & TURNER

By: _____
Robert H. Strand
P.O. Box 700
Roswell, NM 88201
(505) 622-6221

5th JUDICIAL DISTRICT COURT
COUNTY OF LEA
STATE OF NEW MEXICO

HOWARD OLSEN,
Plaintiff,

vs.

DOYLE HARTMAN,
Defendant.

SUMMONS

FOR COURT USE ONLY
NO. CV-87-806-J

TO
Doyle Hartman
c/o Robert H. Strand
Defendant(s), Greeting:

You are hereby directed to serve a pleading or motion in response to the Complaint within 30 days after service of the Summons, and file the same, all as provided by law.

You are notified that, unless you so serve and file a responsive pleading or motion, the Plaintiff(s) will apply to the Court for the relief demanded in the Complaint.

Attorney or Attorneys For Plaintiff: HINKLE, COX, EATON, COFFIELD & HENSLEY
Address: Harold H. Hensley; Michael F. Millerick
P.O. Box 10
Roswell, NM 88201

WITNESS the Honorable Johnson, District Judges of Said Court of the State of New Mexico and Seal of the District Court of Said County, this 12th day of August, 19 87

(SEAL)

ROBERT G. LONGRIE
CLERK OF THE DISTRICT COURT

By: Karen Triplett
Deputy

NOTE

This summons does not require you to see, telephone or write to the District Judge of the Court at this time.

It does require you or your attorney to file your legal defense to this case in writing with the Clerk of the District Court within 30 days after the summons is legally served on you. If you do not do this, the party suing may get a Court Judgment by default against you.

FIFTH JUDICIAL DISTRICT
 COUNTY OF LEA
 STATE OF NEW MEXICO

FIFTH JUDICIAL DISTRICT
 LEA COUNTY, NEW MEXICO
 FILED IN MY OFFICE

HOWARD OLSEN,)
)
 Plaintiff,)
)
 vs.)
)
 DOYLE HARTMAN,)
)
 Defendant.)

ROBERT D. HENSLY
 CLERK OF THE DISTRICT COURT

NO. CU 87-806-J

COMPLAINT FOR ACCOUNTING

COMES NOW, the Plaintiff, Howard Olsen, by and through his attorneys, Hinkle, Cox, Eaton, Coffield and Hensley, and would show the Court as follows:

1. Plaintiff is a resident of the State of Texas. Upon information and belief, Defendant is a resident of Texas. The relief requested by the Plaintiff herein relates to, and necessarily involves, real property located in Lea County, New Mexico. The Defendant routinely transacted business in the State of New Mexico and is subject to service of process and jurisdiction of this Court by reason of Section 38-1-16, N.M.S.A. 1978.

2. Plaintiff is the owner of an undivided 25% working interest in an oil and gas lease covering, among other lands, the SE/4 SE/4 Section 23 and the SE/4 NE/4 Section 26, both of Township 25 South, Range 37 East, Lea County, New Mexico. This oil and gas lease remains in full force and effect and is currently held by production, subject however to the existing

operating agreement between the parties. Prior to 1984, two wells were drilled on the subject leasehold. The Carlson No. 2 well was drilled on Section 26, Township 25 South, Range 37 East, and the Carlson No. 3 well was drilled in Section 23, Township 25 South, Range 37 East.

3. By virtue of an assignment from Sun Exploration and Production Company effective June 1, 1984, Defendant became the owner of an undivided working interest in the subject oil and gas leasehold referred to above. Prior to the above-referenced assignment, Sun Exploration Production Company was the operator for the Carlson No. 2 well and the Carlson No. 3 well. Following said assignment, Defendant assumed responsibility for the conduct of operations on behalf of all interest owners for the Carlson No. 2 well and the Carlson No. 3 well. To date, no operating agreement has been entered into between Defendant, Plaintiff, and upon information and belief, other working interest owners for the subject property.

4. Following Defendants' assumption of operating responsibilities in conjunction with its assigned undivided working interest in the subject leasehold, Defendants thereafter sent invoices to Plaintiff for operating expenses, inclusive of overhead costs, arising out of his operation of the Carlson No. 2 well and the Carlson No. 3 well.

5. Upon receipt of the invoices referred to in Paragraph 5 above, Plaintiff noticed a substantial increase in costs, inclusive of overhead costs, for the operation of the Carlson No 2 well and the Carlson No. 3 well. Thereafter, Plaintiff, through

his duly authorized representatives, has on several occasions requested that Defendant account to Plaintiff and justify his requests for payment of any and all expenses related to the Carlson No. 2 well and the Carlson No. 3 wells.

6. Although Plaintiff has made repeated demand upon Defendant to provide Plaintiff an accounting in order that Plaintiff can be assured of the reasonableness, necessity, and accuracy of each and every charge for which Defendant is asking Plaintiff to make payment, Defendant has refused Plaintiff's demand and has failed to render any account to Plaintiff as to expenses incurred by Defendant in his operation of the Carlson No. 2 well and the Carlson No. 3 well.

WHEREFORE, Plaintiff prays that:

1. The Court order an accounting to be made by Defendant to ascertain, in detail, the expenses generated by Defendant in his operation of the Carlson No. 2 well and the Carlson No. 3 well.

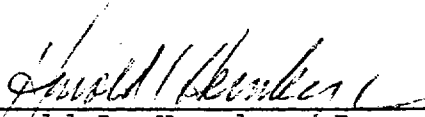
2. The Court determine and indicate to the parties the reasonableness of, and the necessity for, each of the expenses incurred by Defendant in his operation of the Carlson No. 2 well and the Carlson No. 3 well.

3. The Court order that Defendant pay to Plaintiff all costs incurred by Plaintiff in pursuing this action.

4. The Court make any and all orders it considers just in the premises.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By:



Harold L. Hensley, Jr.
Michael F. Millerick
P. O. Box 10
Roswell, New Mexico 88201
(505) 622-6510

ATTORNEYS FOR PLAINTIFF

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF HOWARD OLSEN
TO REOPEN CASE NOS. 8668 and
8769, LEA COUNTY, NEW MEXICO

ACCEPTANCE OF SERVICE

COMES NOW, ATWOOD, MALONE, MANN & TURNER (Robert H. Strand)
and hereby accepts service of the Application on behalf of
Defendant, Doyle Hartman.

ATWOOD, MALONE, MANN & TURNER

By:

Robert H. Strand
P.O. Box 700
Roswell, NM 88201
(505) 622-6221

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
LOURDES A. MARTINEZ

JEFFERSON PLACE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
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July 19, 1985

RECEIVED

JUL 19 1985

HAND DELIVERED

OIL CONSERVATION DIVISION

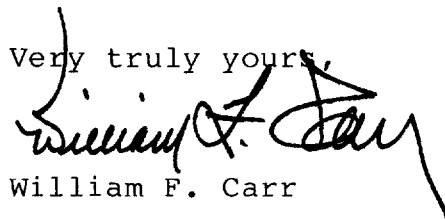
Mr. R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Doyle Hartman for Compulsory Pooling, Lea
County, New Mexico

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Doyle Hartman
in the above-referenced case. Please place on the docket for the
July 31, 1985 Examiner hearing.

Very truly yours,



William F. Carr

WFC/ba
Enclosure

cc: Doyle Hartman

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

RECEIVED

JUL 19 1965

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICAITON
OF DOYLE HARTMAN FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

Case 8668

APPLICATION

Comes now, DOYLE HARTMAN, by and through its undersigned attorneys and, as provided by Section 70-2-17, N.M.S.A. 1978, hereby makes application for an order pooling all of the mineral interests from the surface to the base of the Langlie Mattix formation, in and under the SE/4 of SE/4 of Section 23, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Division:

1. Applicant owns or represents approximately 75% of the working interest in and under the SE/4 of SE/4 of Section 23, and applicant has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced pooled unit to a well to be drilled at a standard location of said Section 23.

3. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest owners in the SE/4 of SE/4 of said Section 23, except for R. Howard Olson, Post Office Box 32279, Phoenix, Arizona 85018, owner of a 25% working interest.

4. Said pooling of interests and well completion will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and applicant should be designated the operator of the well to be drilled.

WHEREFORE, applicant prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on July 31, 1985, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the applicant in drilling, completing and equipping the well, approving the location of the well as proposed by applicant, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By *Lourdes A. Martinez* for
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR DOYLE HARTMAN