

PMES-412647138

Susp: 4/19/04

DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

RECEIVED

MAR 29 2004

(432) 684-4011
(432) 682-7616 FAX

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

March 25, 2004

CERTIFIED MAIL (RECEIPT NO. 7001 1140 0002 8323 2046) AND FEDEX

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

Re: Administrative Application for Simultaneous Dedication

State "LMT" No. 5 / Third Active Jalmat Well (A-36-23S-36E)

Proposed State "LMT" No. 12 / Fourth Active Jalmat Well (D or E-36-23S-36E)

N/2 Section 36, T-23-S, R-36-E

Lea County, New Mexico

[Administrative Order No. NSL-4665 (SD)/320-acre Jalmat (Gas) Proration Unit]

Gentlemen:

Administrative Order NSL-4665 (SD), corresponding to the 320-acre State "LMT" Jalmat (Gas) proration unit, consisting of the N/2 Section 36, T-23-S, R-36-E, Lea County, New Mexico, grants approval to simultaneously dedicate the following three Jalmat wells, to the subject 320-acre Jalmat proration unit:

State "LMT" No. 9	C-36-23S-36E
State "LMT" No. 10	H-36-23S-36E
State "LMT" No. 11	B-36-23S-36E

As to the State "LMT" No. 10 well, with current production of 3 MCFPD, the wellbore is not capable of efficiently draining remaining gas reserves.

Therefore, we propose to repair and return the temporarily-abandoned State "LMT" No. 5 well (A-36-23S-36E) to active producing status, as a **replacement** Jalmat producer, for the State "LMT" No. 10 well. In September, 1980, the State "LMT" No. 5 Jalmat completion interval (2835' to 3420') was abandoned, by squeezing with 900 sx of cement, drilling out the cement, and testing the squeeze to 800 psi. The wellbore was then returned to water injection, in the Langlie Mattix interval, from 3485' to 3600'. Last active Langlie Mattix water injection occurred in 1992.

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
March 24, 2004
Page 2

In September, 1998, the State "LMT" No. 5 (MLMU No. 63) wellbore was temporarily abandoned, and the 5 1/2" O.D. casing was pressure tested, from 0' to 3385', to 520 psi, for 30 minutes. In July, 2003, the 5 1/2" O.D. casing was retested, to 540 psi, for 30 minutes.

Recognizing that the State "LMT" No. 5 (MLMU No. 63) wellbore has been fully **inactive**, as to both zones, for approximately 12 years, it is our plan to reactivate the State "LMT" No. 5 (MLMU No. 63) wellbore, as to the Jalmat Pool interval, by cleaning out the well, running a 4 1/2" O.D., 11.6 lb/ft, FJ liner, squeezing the liner into place, and reperforating and stimulating the Jalmat (Yates-Upper 7R) gas interval.

Upon the successful return of the State "LMT" No. 5 wellbore to active producing status, as a Jalmat producer, the State "LMT" No. 10 will be properly abandoned.

In light of the foregoing, as part of this application, we hereby file for administrative approval to simultaneously dedicate the State "LMT" No. 5 well as the *third active* producer on the 320-acre State "LMT" Jalmat proration unit.

In the event the State "LMT" No. 5 wellbore is not mechanically useable, we propose to drill the State "LMT" No. 13 well, as a substitute for the State "LMT" No. 5. The State "LMT" No. 13 would then become the third active Jalmat well on the subject 320-acre proration unit, and would be drilled no closer than 660' from the lease line, in the E/2NE/4 Section 36, T-23-S, R-36-E.

In addition, as part of this application, we also hereby request administrative approval to simultaneously dedicate our **proposed** State "LMT" No. 12 well, as the *fourth active* Jalmat producer, on the 320-acre State "LMT" Jalmat proration unit. The State "LMT" No. 12 well is to be drilled at a location no closer than 660' from the lease line, in the W/2NW/4 Section 36, T-23-S, R-36-E, Lea County, New Mexico.

Approval of this simultaneous dedication application will prevent waste, by allowing for the optimal recovery of remaining gas reserves (including gas reserves from tighter Jalmat strata, within the Jalmat interval). The subject application will also allow a material portion of the remaining reserves to be recovered during the current period of reduced North American gas deliverability and tighter gas supplies.

Notice of this administrative application, and our request for written waiver (as enclosed herewith), has been sent by certified mail to the applicable diagonal and adjacent offset Jalmat operators, which operators are as follows:

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
March 25, 2004
Page 3

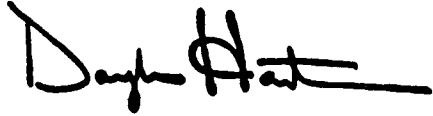
- 1) Lewis B. Burleson, Inc.
Box 2479
200 N. Loraine, Suite 600
Midland, Texas 79702
Attn: Lewis B. Burleson, President
Certified Mail Receipt No. 7001 1140 0002 8323 2053 (Mailed March 25, 2004)
- 2) Burgundy Oil & Gas, Inc.
401 W. Texas, Suite 1003
Midland, Texas 79701
Attn: Bob Statton, Vice-President Reservoir Engineering
Certified Mail Receipt No. 7001 1140 0002 8323 2060 (Mailed March 25, 2004)
- 3) BP America
Box 1610
600 N. Marienfeld
Midland, Texas 79701
Attn: Dave McKenna, Operations Center Manager
Certified Mail Receipt No. 7001 1140 0002 8323 2077 (Mailed March 25, 2004)
- 4) Westbrook Oil Company
Box 2264
1320 N. West County Road
Hobbs, New Mexico 88241
Attn: V.H. Westbrook, Vice-President
Certified Mail Receipt No. 7001 1140 0002 8323 2084 (Mailed March 25, 2004)
- 5) Gruy Petroleum Mgmt. Co.
P.O. Box 14097
Irving, Texas 75014
Attn: R. Douglas Cronk, Sr. V.P. Operations
Certified Mail Receipt No. 7001 1140 0002 8323 2091 (Mailed March 25, 2004)
- 6) ChevronTexaco
15 Smith Road
Midland, Texas 79705
Attn: Greg Hild, NM Area Manager
Certified Mail Receipt No. 7001 1140 0002 8323 2107 (Mailed March 25, 2004)

We thank you for your thoughtful review of this matter.

Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
March 25, 2004
Page 4

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", with a long horizontal stroke extending to the right.

Doyle Hartman
Owner

cc: Oxy Permian
P.O. Box 50250
Midland, Texas 79710
Attn: Matt Hyde, Asset Manager

DIVIDER PAGE

Existing Jalmat (Gas) Proration Unit
State "LMT"
 N/2 Section 36, T-23-S, R-36-E
 Order No. R-5701, 04/11/1978
 (320 acres)

23S-36E

23S-37E

Replacement Jalmat (Gas) Well
 State "LMT" No. 5
 660' FNL & 660' FEL (A)
 Section 36, T-23-S, R-36-E

Existing Jalmat (Gas) Well
 State "LMT" No. 9
 780' FNL & 1860' FWL (C)
 Section 36, T-23-S, R-36-E

Existing Jalmat (Gas) Well
 State "LMT" No. 11
 1150' FNL & 1750' FEL (B)
 Section 36, T-23-S, R-36-E

Existing Jalmat (Gas) Well
 State "LMT" No. 10
 1860' FNL & 780' FEL (H)
 Section 36, T-23-S, R-36-E

(To be P&A'd upon recom-
 pletion of State "LMT" No. 5)

24S-36E

24S-37E

Acreage Ownership Plat

T-23-S & T-24-S, R-36-E & R-37-E
Lea County, NM

 Jalmat Producer

Adjacent and Diagonal Jalmat Operators

Doyle Hartman-operated
State "LMT" Jalmat P.U.
N/2 Section 36, T-23-S, R-36-E
Lea County, New Mexico
(320 acres, Order No. R-5701, Approved 04/11/1978)

Tract	Color Code	Operator	Jalmat P.U. Description	Lessee Name	Well No.	Jalmat Well Location(s)	No. of Active Wells	Offset Well Spacing (acres/well)
1	Orange	Lewis B. Burleson, Inc.	S/2 Section 25 T-23-S, R-36-E (320 acres)	Lynn "B-25"	1* 2 3 5	J-25-23S-36E M-25-23S-36E P-25-23S-36E L-25-23S-36E	3	106.7
2	Brown	Burgundy Oil & Gas, Inc.	Section 26 T-23-S, R-36-E (640 acres)	Lynn "B-1"	1 3 4* 17	J-26-23S-36E C-26-23S-36E M-26-23S-36E A-26-23S-36E	3	213.3
3	Light Purple	BP America	NW/4, SW/4 NE/4, E/2 NE/4, NE/4 SE/4 Section 35, T-23-S, R-36-E (320 acres)	John P Combest "WN"	1Y 2 3 4 5	H-35-23S-36E G-35-23S-36E A-35-23S-36E E-35-23S-36E I-35-23S-36E	5	64.0
4	Light Blue	Westbrook Oil Co.	W/2 SW/4 Section 36 T-23-S, R-36-E (80 acres)	Pennoc State "Q"	1	L-36-23S-36E	1	80.0
5	Light Green	Gruy Petroleum Mgmt. Co.	NE/4 & W/2 Section 36, T-23-S, R-36-E (80 acres)	Maralo State	1	N-36-23S-36E	1	80.0
6	Pink	Gruy Petroleum Mgmt. Co.	SE/4 Section 36 Section 36, T-23-S, R-36-E (160 acres)	Holt Mexico State Com	1	O-36-23S-36E	1	160.0
8	Dark Purple	Chevron/Texaco	SW/4, N/2 SE/4, SE/4 SE/4 Section 31 & S/2 SW/4 Section 32 T-23-S, R-37-E (356 acres)	E E Blinberry "A" Federal NCT-1 Com	2* 4 5 97*	I-31-23S-37E L-31-23S-37E N-31-23S-37E K-31-23S-37E	2	178.0
8	Dark Green	Doyle Hartman	NW/4 & W/2 NE/4 Section 31, T-23-S, R-37-E (236 acres)	Cowden "C"	4	C-31-23S-37E	1	236.0
9	Dark Blue	Doyle Hartman	W/2 SW/4, SE/4 SW/4 & SW/4 SE/4 Section 30, T-23-S, R-37-E (160 acres)	Cowden "B"	4	L-30-23S-37E	1	160.0
Offset Total/Avg			2352 acres				18	130.7

* Inactive/Abandoned Well



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury
Cabinet Secretary

November 26, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Apache Corporation
2000 Post Oak Boulevard - Suite 100
Houston, Texas 77056-4400
Attention: Debra J. Anderson
Debra.Anderson@Apachecorp.com

Telefax No. (713) 296-7156

Administrative Order NSL-4665(SD)

Dear Ms. Anderson:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 5, 2001 (*application reference No. pKRV0-130946346*); and (ii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-1193, NSP-1194, and NSP-1517(L)(SD): all concerning Apache Corporation's request for an unorthodox infill Jalmat gas well location within an existing lay-down 320-acre non-standard gas spacing and proration unit ("GPU") comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

The rules and procedures currently governing the Jalmat Gas Pool (79240) include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B (2) (b);
- (iii) Division Rules 104.D (2) and 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Division Rules 1207.A (2) and (3); and
- (v) the amended Stipulated Declaratory Judgment of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgment").

The subject 320-acre GPU was established by Division Administrative Order NSP-1517(L)(SD), dated November 2, 1987 for the following two wells:

- (1) Apache Corporation's existing State LM "T" Well No. 9 (API No. 30-025-26616), located at a standard gas well location for this GPU 780 feet from the North line and 1860 feet from the West

Administrative Order NSL-4665(SD)

Apache Corporation

November 26, 2001

Page 2

line (Unit C) of Section 36, which was the subject of Division Administrative Orders NSP-1194, dated May 26, 1980, and NSP-1517(L)(SD); and

- (2) existing State LM "T" Well No. 10 (API No. 30-025-26617), located at an unorthodox gas well location for this 320-acre GPU 1860 feet from the North line and 780 feet from the East line (Unit H) of Section 36, which was the subject of Division Administrative Orders NSP-1193, dated May 26, 1980, and NSP-1517(L)(SD).

By the authority granted me under the provisions of the rules, regulations, and directives currently governing the Jalmat Gas Pool, the following described well recently drilled by Apache Corporation at an unorthodox infill gas well location within this 320-acre GPU is hereby approved:

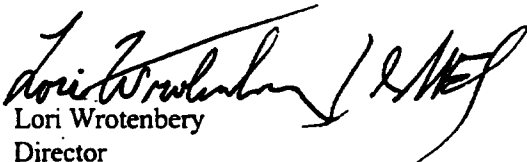
**State LM "T" Well No. 11
1150' FNL & 1750' FEL (Unit B)
(API No. 30-025-35366)**

Also, Apache Corporation is hereby authorized to simultaneously dedicate Jalmat gas production from the State LM "T" Well No. 11 with the existing State LM "T" Wells No. 9 and 10. Furthermore, Apache Corporation is permitted to produce the allowable assigned the subject 320-acre GPU from all three wells in any proportion.

All provisions applicable to the subject GPU in Division Administrative Order NSP1517(L)(SD), not in conflict with this order, shall remain in full force and affect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1193
NSP-1194
NSP-1517(L)(SD)

DIVIDER PAGE

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.	30-025-09476
Indicate Type of Lease	STATE ☒ FEE ☐
State Oil & Gas Lease No.	B-1431
Lease Name or Unit Agreement Name	State "LMT"
Well No.	5
Pool name or Wildcat	Jalmat (T-Y-7R) Gas

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:

OIL WELL ☐

GAS WELL ☒

OTHER

Name of Operator

Doyle Hartman

Address of Operator

500 N. Main St., Midland, TX 79701

Well Location

Unit Letter A : 660' Feet From The North Line and 660' Feet From The East Line

Section 36 Township 23S Range 36E NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc.)

3317' GR

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☒

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Return Jalmat to Production ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

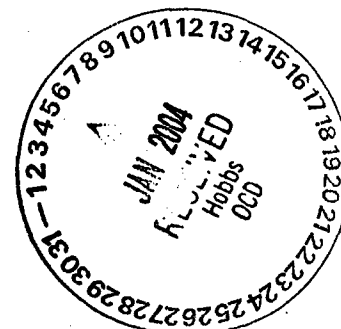
OTHER: ☐

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

As to the 11-year-inactive dually-completed State "LMT" No. 5/MLMU No. 63 wellbore, it is proposed to return the Jalmat interval to active producing status, in accordance with the following rework procedure attached hereto, and made a part hereof.

CONDITIONS OF APPROVAL:

Per R-8170-P not more than 1 well producing per 160 acres. May NOT PRODUCE additional wells without obtaining exception to R-8170-P from OCD Santa Fe.



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

SIGNATURE

TITLE Engineer

DATE 01/05/2004

TYPE OR PRINT NAME Steve Hartman

TELEPHONE NO. (915) 684-4011

(This space for State Use)

APPROVED BY

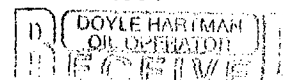
TITLE

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

DATE

JAN 13 2004

CONDITIONS OF APPROVAL, IF ANY:



JAN 14 2004

Proposed Rework Procedure

1. Rig up kill truck. Pressure test 5 1/2" O.D. casing to 500 psi.
2. Move in backhoe and dig out around wellhead.
3. Inspect and repair exposed 8 5/8" O.D. and 5 1/2" O.D. casing. Wrap exposed casing with corrosion-resistant tape.
4. Install 52" O.D. corrugated steel cellar can around exposed casing. Backfill around cellar can.
5. Move in and rig up well service unit.
6. Perform injectivity test down 8 5/8" x 5 1/2" casing annulus. Cement down 8 5/8" x 5 1/2" casing annulus with 1200 sx of API Class "C" cement containing 3% CaCl₂, 5 lb/sx Gilsonite, 0.50 lb/sx Flocele. Fill cellar can with cement.
7. Rig up high-volume air-foam cleanout unit.
8. Clean out 5 1/2" O.D. casing.
9. Cover original Jalmat perms, from 2835' to 3420', with 4 1/2" O.D., 11.6 lb/ft, J-55 flush-joint liner. Land top of 4 1/2" O.D. FJL at 2780'.
10. Squeeze cement liner into place, at a rate of 14 BPM, utilizing 400 sx of API Class "C" cement containing 1 1/2% CaCl₂, 3 lb/sx Gilsonite, 0.25 lb/sx Flocele, followed by 1300 sx of API Class "C" cement containing 2 1/2% CaCl₂, 3 lb/sx Gilsonite, 0.25 lb/sx Flocele, followed by 100 sx of API Class "C" cement containing 1% CaCl₂, 3 lb/sx Gilsonite, 0.25 lb/sx Flocele.
11. Drill and scrape cement to bottom of 4 1/2" O.D. FJL. Pressure test liner.
12. Rig up Schlumberger. Log well with DS-CNL-GR-CCL log and VDCBL-GR-CCL log.
13. Limited-entry perforate Jalmat interval, from 2955' to 3260'.
14. Acidize and frac new Jalmat perms.

Page 3 of 3
NMOCD Form C-103 dated 01-05-04
Doyle Hartman
State "LMT" No. 5
A-36-23S-36E
API No. 30-025-09476

15. Install rod-pump equipment.
16. Return Jalmat interval to active producing status.

DIVIDER PAGE

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

NO. OF COPIES RECEIVED	
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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

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

Form C-103
Revised 10-1-78

3a. Indicate Type of Lease State ☒ Fee ☐
5. State Oil & Gas Lease No. B1413
7. Unit Agreement Name
8. Farm or Lease Name State IM "T"
9. Well No. 5
10. Field and Pool, or Wildcat Jalmat Tansil Yates 7RQ
12. County Lea

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT 2" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL ☐ GAS WELL ☐ OTHER- Temporarily abandoned

2. Name of Operator
Amerada Hess Corporation

3. Address of Operator
Drawer D, Monument, New Mexico 88265

4. Location of Well
UNIT LETTER A 660 FEET FROM THE North LINE AND 660 FEET FROM
THE East LINE, SECTION 36 TOWNSHIP 23S RANGE 36E N.M.P.M.

15. Elevation (Show whether DF, RT, GR, etc.)
3327' GL

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPS. ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	OTHER ☐	CASING TEST AND CEMENT JOBS ☐	
		OTHER <u>Zone abandonment</u> ☒	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1503.

September 2 to September 12, 1980 - Pulled Getty's injection string of tbg. (Myers Langlie Mattix Unit #63), set plug in Model D pkr. at 3430'. Tested w/3000# press. Held OK. Set pkr. in 5-1/2" csg. at 2629'. Load annulus & pressured to 800#. Dowell squeezed Jalmat Tansill Yates Seven Rivers Queen gas zone w/total of 900 sks. cement. WOC & drilled out cement. Tested w/800# press. Held OK. Re-ran Getty's injection tbg. string & CI.

Jalmat Tansill Yates Seven Rivers Queen zone P&A.

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

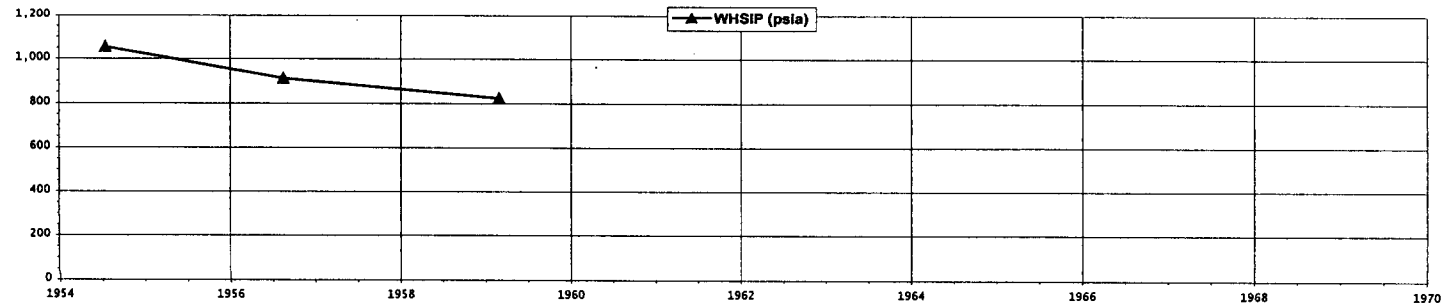
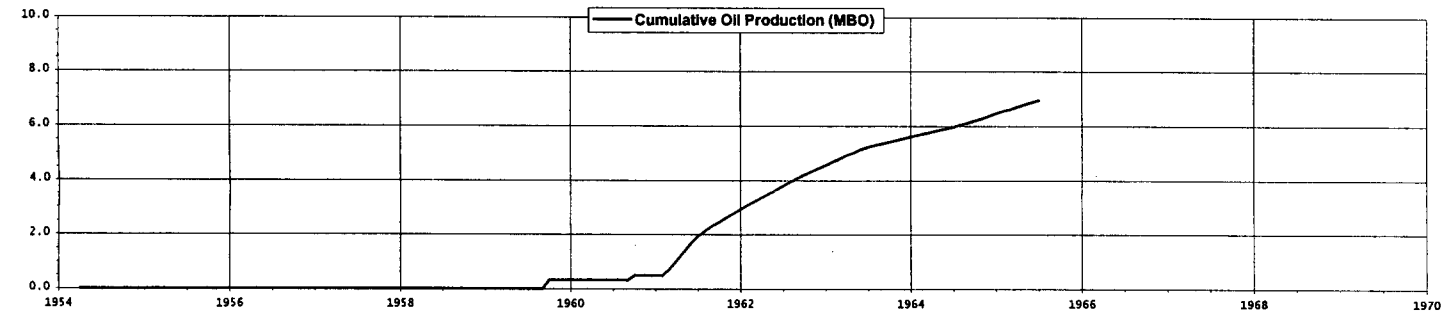
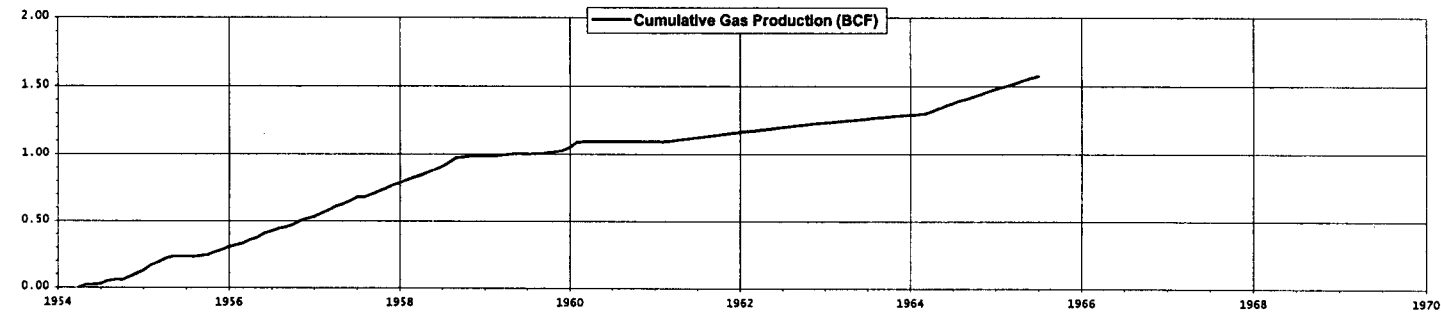
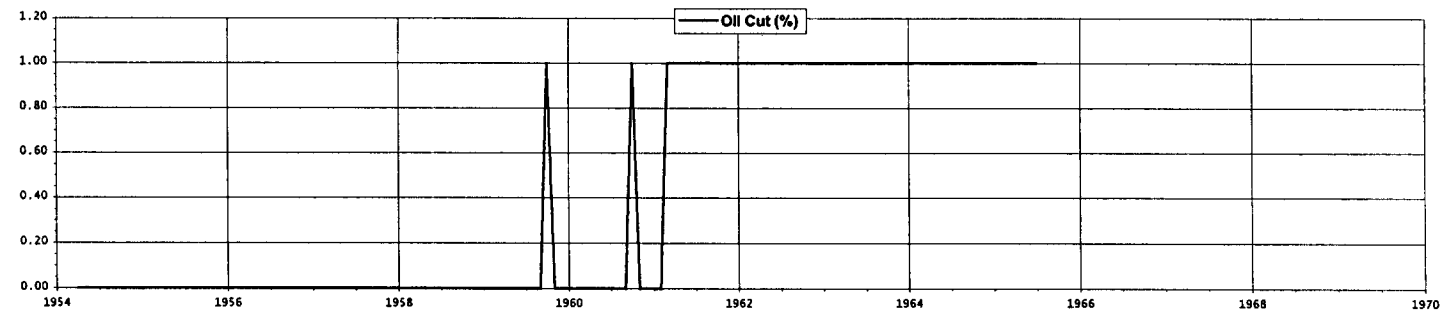
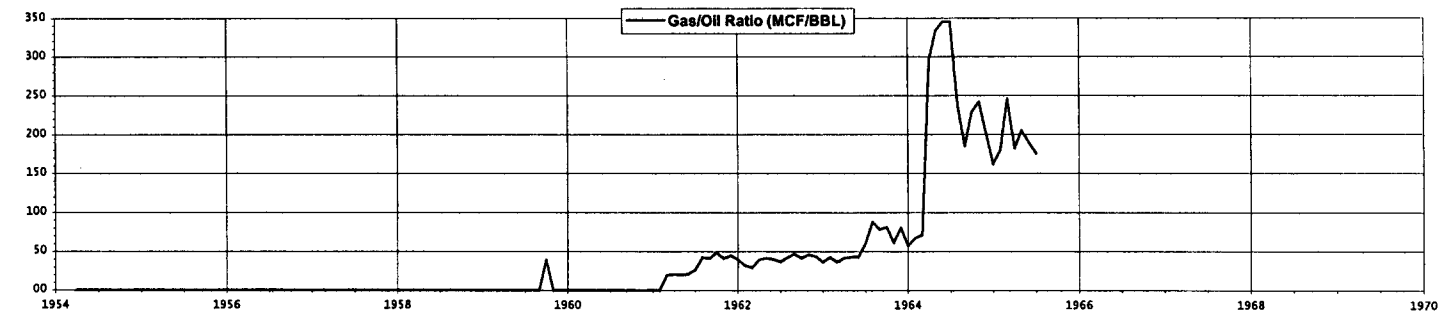
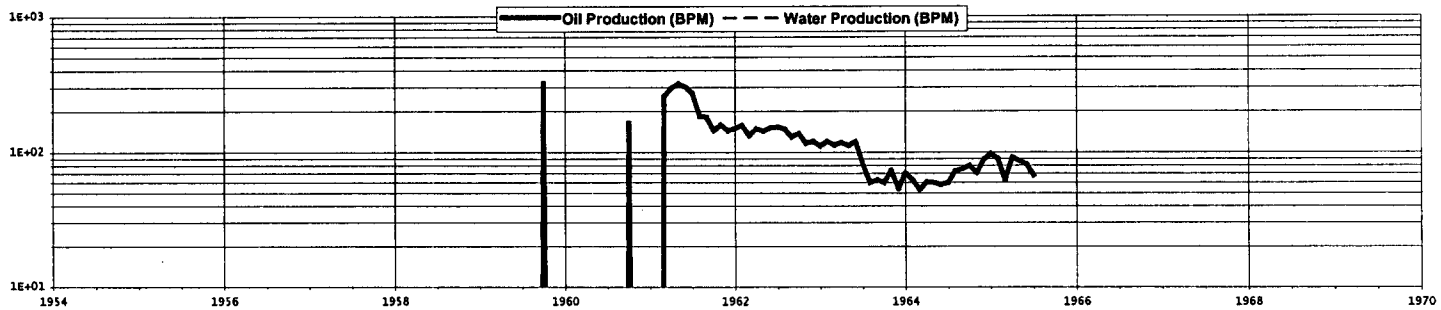
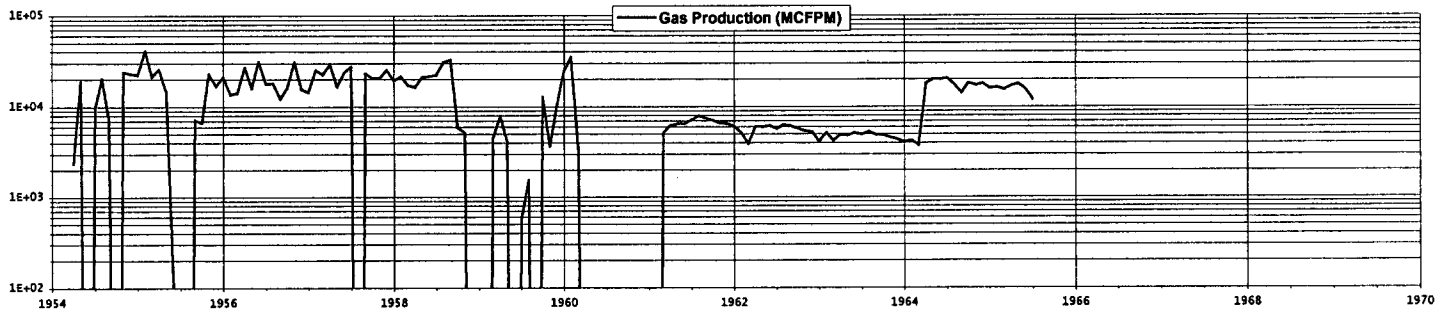
SIGNED E. B. Fisher TITLE Supv. Adm. Ser. DATE 9-15-80

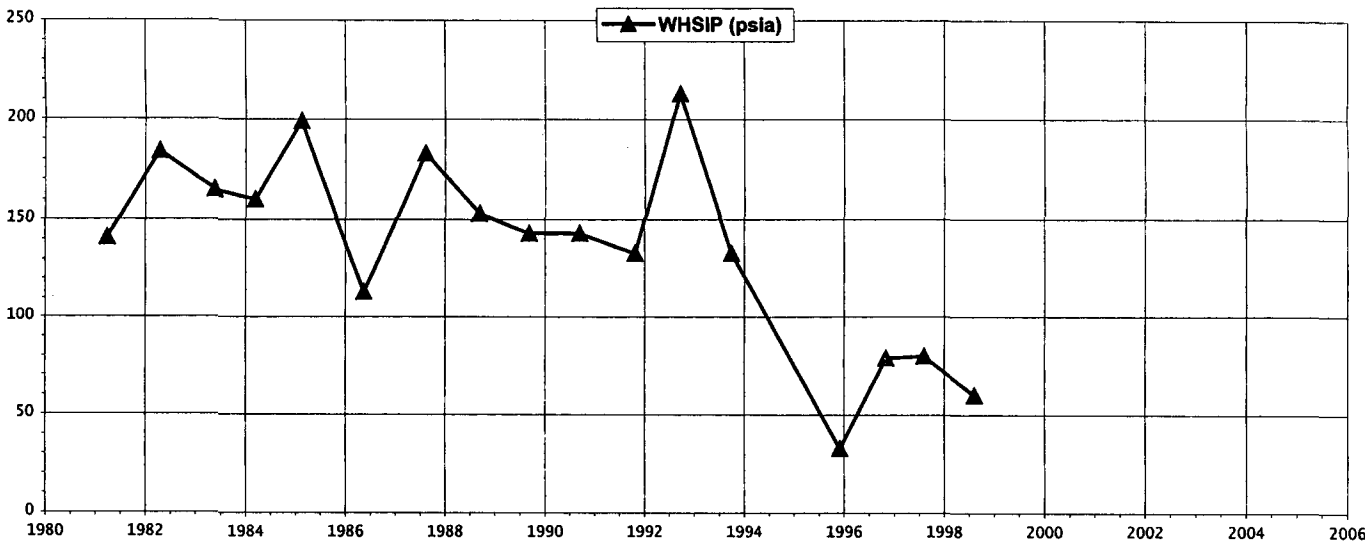
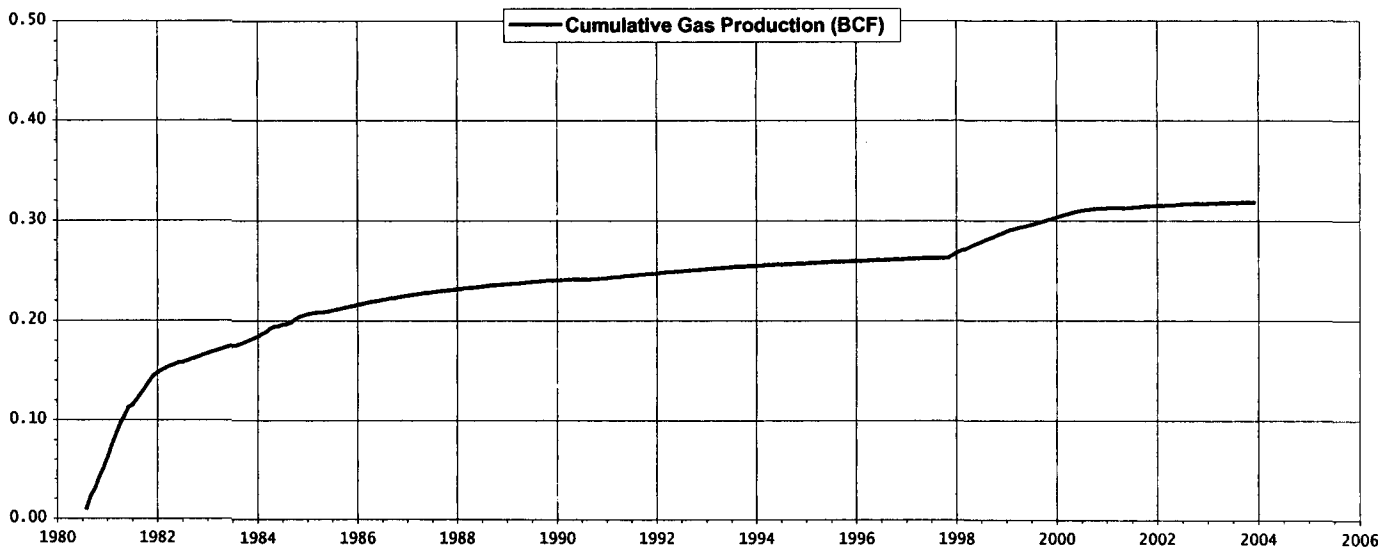
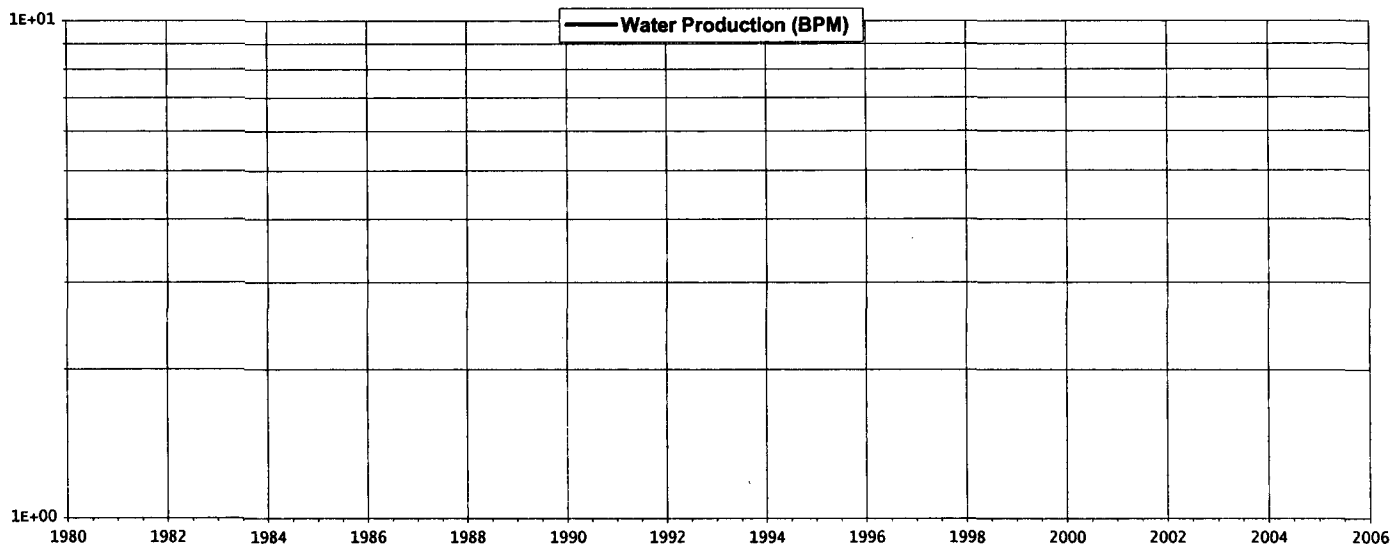
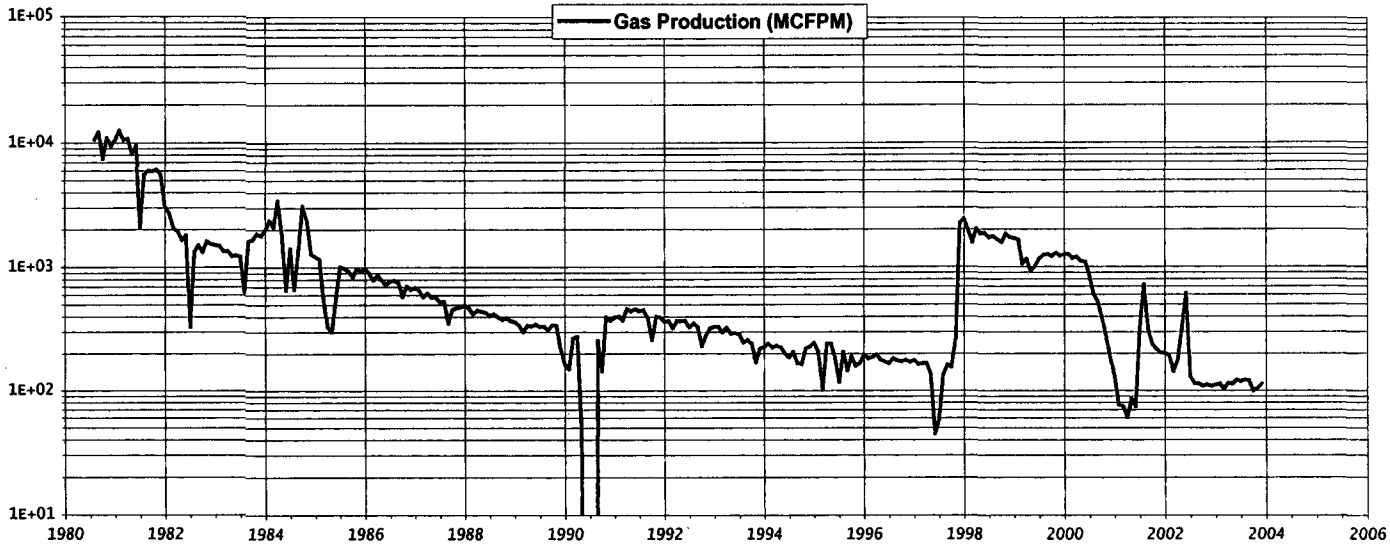
APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

4M

DIVIDER PAGE





DIVIDER PAGE

WELLS INVOLVED IN OPERATOR CHANGE
FINAL LIST WITH C-104A

This is a final list of inactive wells being transferred. If all bonding requirements are satisfied, submit this list to the OCD District with your C-104A.

PREVIOUS OPERATOR: 873 APACHE CORP

OCD DISTRICT: HOBBS

NEW OPERATOR: 8473 Doyle Hartman

Property	Well Name	ULSTR	OCD UNIT LTR API	WELL TYPE	POOL ID POOL NAME	LAST PROD/INJ
27943	STATE LMT #005	A-36-23S-36E	A 30-025-09476	G	79240 JALMAT; TAN-YATES-7 RVRS	Dec-92
	STATE LMT #002	F-36-23S-36E	F 30-025-09473	G	79240 JALMAT; TAN-YATES-7 RVRS	Feb-87

DIVIDER PAGE

DOYLE HARTMAN

Oil Operator
500 NORTH MAIN
P.O. BOX 10426
MIDLAND, TEXAS 79702

(432) 684-4011
(432) 682-7616 FAX

March 25, 2004

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

ADJACENT AND DIAGONAL JALMAT OPERATORS

State "LMT" No. 5/Third Active Jalmat Well (A-36-23S-36E)

Proposed State "LMT" No. 12/Fourth Active Jalmat Well (D or E-36-23S-36E)

N/2 Section 36, T-23-S, R-36-E

Lea County, New Mexico

[Administrative Order No. NSL-4665 (SD)/320-acre Jalmat (Gas) Proration Unit]

Re: Notice and Waiver Request for Simultaneous Dedication

Gentlemen:

This letter shall serve as (1) our written notice, and (2) request for written waiver, pertaining to our herein enclosed administrative application to the New Mexico Oil Conservation Division, for approval of our simultaneous-dedication application, corresponding to our 320-acre State "LMT" Jalmat (Gas) proration unit, consisting of the N/2 Section 36, T-23-S, R-36-E, Lea County, New Mexico.

As can be ascertained from the herein-enclosed application, the subject application requests approval for the addition of two (2) Jalmat wells, on the subject 320-acre Jalmat proration unit, consisting of the N/2 Section 36, T-23-S, R-36-E, and the abandonment of the State "LMT" No. 10 well, for a net gain of **one** (1) additional Jalmat well, on the 320-acre Jalmat proration unit, thereby bringing the average well spacing to 80-acres per well.

If you are agreeable to granting a written waiver for our herein proposed administrative application, we respectfully request that you execute this letter (at your earliest convenience), in the space provided below, and promptly return one executed copy in the self-addressed stamped envelope enclosed herewith. The second copy of this letter, as well as the enclosed copy of our administrative application, to the NMOCD, shall be retained for your files.

Adjacent and Diagonal Jalmat Operators

Notice and Waiver Request for Simultaneous Dedication

State "LMT" No. 5/Third Active Jalmat Well (A-36-23S-36E)

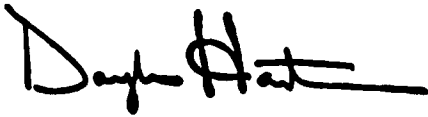
Proposed State "LMT" No. 12/Fourth Active Jalmat Well (D or E-36-23S-36E)

March 25, 2004

Page 2

Yours very truly,

DOYLE HARTMAN, Oil Operator



Doyle Hartman
Owner

APPROVAL IS HEREBY GRANTED TO ADD THE STATE "LMT" NO. 5 WELL AND THE PROPOSED STATE "LMT" NO. 12 WELL AS THE THIRD AND FOURTH ACTIVE JALMAT WELLS ON THE 320-ACRE STATE "LMT" JALMAT P.U.

Signature

Company Name

Date

cc: Michael E. Stogner, Chief Hearing Officer
New Mexico Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

ADJACENT AND DIAGONAL JALMAT OPERATORS

Notice and Waiver Request

Simultaneous Dedication

State "LMT" No. 5 / Third Active Jalmat Well (A-36-23S-36E)

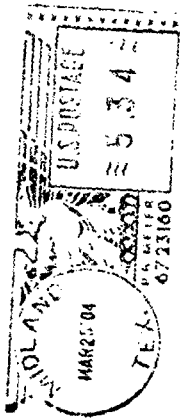
Proposed State "LMT" No. 12 / Fourth Active Jalmat Well (D or E-36-23S-36E)

N/2 Section 36, T-23-S, R-36-E

Lea County, New Mexico

[Administrative Order No. NSL-4665 (SD)/320-acre Jalmat (Gas) Proration Unit]

- 1) Lewis B. Burleson, Inc.
Box 2479
200 N. Loraine, Suite 600
Midland, Texas 79702
Attn: Lewis B. Burleson, President
Certified Mail Receipt No. 7001 1140 0002 8323 2053 (Mailed March 24, 2004)
- 2) Burgundy Oil & Gas, Inc.
401 W. Texas, Suite 1003
Midland, Texas 79701
Attn: Bob Statton, Vice-President Reservoir Engineering
Certified Mail Receipt No. 7001 1140 0002 8323 2060 (Mailed March 24, 2004)
- 3) BP America
Box 1610
600 N. Marienfeld
Midland, Texas 79701
Attn: Dave McKenna, Operations Center Manager
Certified Mail Receipt No. 7001 1140 0002 8323 2077 (Mailed March 24, 2004)
- 4) Westbrook Oil Company
Box 2264
1320 N. West County Road
Hobbs, New Mexico 88241
Attn: V.H. Westbrook, Vice-President
Certified Mail Receipt No. 7001 1140 0002 8323 2084 (Mailed March 24, 2004)
- 5) Gruy Petroleum Mgmt. Co.
P.O. Box 14097
Irving, Texas 75014
Attn: R. Douglas Cronk, Sr. V.P. Operations
Certified Mail Receipt No. 7001 1140 0002 8323 2091 (Mailed March 24, 2004)
- 6) ChevronTexaco
15 Smith Road
Midland, Texas 79705
Attn: Greg Hild, NM Area Manager
Certified Mail Receipt No. 7001 1140 0002 8323 2107 (Mailed March 25, 2004)



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 8323 2077
7001 1140 0002 8323 2077

Postage	\$ 1.29
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34

Postmark
Here

Sent To **Dave McKenna, Operations Center Mgr.**
Street, Apt. No., **BP America**
or PO Box No. **P.O. Box 1610**
City, State, ZIP+4 **Midland, TX 79701**

PS Form 3800, January 2001 See Reverse for Instructions

MIDLAND, TEXAS 79702

Dave McKenna, Operations Center Mgr.
BP America
P.O. Box 1610
Midland, TX 79701

PS Form 3811, August 2001
(Transfer from service label)
7001 1140 0002 8323 2077
102595-01-M-2509

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
Dave McKenna, Operations Center Mgr.
BP America
P.O. Box 1610
Midland, TX 79701

2. Article Number

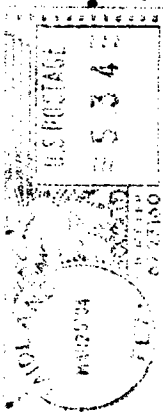
3. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ Return Receipt for Merchandise
☐ C.O.D.

4. Restricted Delivery? (Extra Fee)
☐ Yes
☐ No

5. Is delivery address different from item 1? ☐ Yes ☐ No

6. Received by (Printed Name)
C. Date of Delivery
A. Signature
X Agent
Addressee

COMPLETE THIS SECTION ON DELIVERY



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

Postage	\$ 1.29	Postmark here
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.34	

Sent To: **Greg Hild, NM Area Manager**
Street, Apt. No., or P.O. Box No.: **ChevronTexaco**
15 Smith Road
City, State, ZIP: **Midland, TX 79705**

7001 1140 0002 8323 2107
7001 1140 0002 8323 2107

Greg Hild, NM Area Manager
ChevronTexaco
15 Smith Road
Midland, TX 79705

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
Greg Hild, NM Area Manager
ChevronTexaco
15 Smith Road
Midland, TX 79705

2. Article Number
7001 1140 0002 8323 2107
(Transfer from service label)

PS Form 3811, August 2001
Domestic Return Receipt
102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

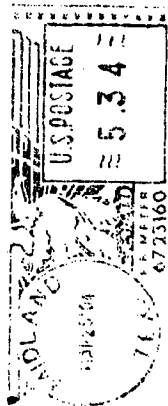
A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below: _____

3. Service Type ☒ Certified Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 8323 2084

Postage	\$ 1.29
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34

Postmark
Here

Sent To **V.H. Westbrook, Vice-President**
Westbrook Oil Co.
Street, Apt. No.,
or PO Box No. **P.O. Box 2264**
City, State, ZIP+4 **Hobbs, NM 88241**

PS Form 3800, January 2001 See Reverse for Instructions

MAN
or
26
HOBBS, NM 88241

V.H. Westbrook, Vice-President
Westbrook Oil Co.
P.O. Box 2264
Hobbs, NM 88241

102595-01-M-2509

Domestic Return Receipt

PS Form 3811, August 2001

(Transfer from service label)

7001 1140 0002 8323 2084

2. Article Number

V.H. Westbrook, Vice-President
Westbrook Oil Co.
P.O. Box 2264
Hobbs, NM 88241

1. Article Addressed to:

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

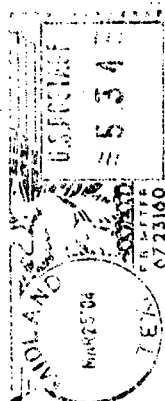
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

COMPLETE THIS SECTION ON DELIVERY

SENDER: COMPLETE THIS SECTION



7001 1140 0002 8323 2091
7001 1140 0002 8323 2091

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided.)

Postage \$ **1.29**
Certified Fee **2.30**
Return Receipt Fee (Endorsement Required) **1.75**
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees **5.34**

Sent to
R. Douglas Cronk, Sr. V.P. Operations
Gruy Petroleum Mgmt. Co.
Street, Apt., Rm. or P.O. Box No. **P.O. Box 14097**
City, State, ZIP **Irving, TX 75014**

TMAN
or
426
579702

R. Douglas Cronk, Sr. V.P. Operations
Gruy Petroleum Mgmt. Co.
P.O. Box 14097
Irving, TX 75014

PS Form 3811, August 2001 Domestic Return Receipt 102595-01-M-2509

7001 1140 0002 8323 2091

(Transfer from service label)

2. Article Number

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

3. Service Type
☐ Insured Mail
☐ Registered
☐ Return Receipt for Merchandise
☒ Certified Mail
☐ Express Mail
☐ C.O.D.

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) _____

C. Date of Delivery _____

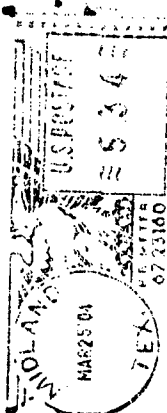
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

R. Douglas Cronk, Sr. V.P. Operations
Gruy Petroleum Mgmt. Co.
P.O. Box 14097
Irving, TX 75014

1. Article Addressed to:
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 - Print your name and address on the reverse so that we can return the card to you.
 - Attach this card to the back of the mailpiece, or on the front if space permits.

COMPLETE THIS SECTION ON DELIVERY

SENDER: COMPLETE THIS SECTION



7001 1140 0002 8323 2053
7001 1140 0002 8323 2053

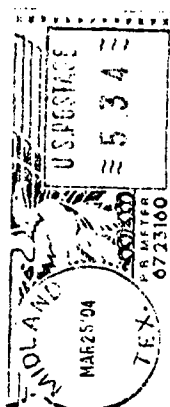
U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)	
Postage	\$ 1.29
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34
Postmark Here	
Sent To Lewis B. Burleson, President	
Street, Apt. No., or PO Box No. Lewis B. Burleson, Inc. P.O. Box 2479	
City, State, ZIP+ Midland, TX 79702	

PS Form 3811, January 2001 See Reverse for Instructions

Lewis B. Burleson, President
Lewis B. Burleson, Inc.
P.O. Box 2479
Midland, TX 79702

SENDER: COMPLETE THIS SECTION	
1. Article Addressed to: Lewis B. Burleson, President Lewis B. Burleson, Inc. P.O. Box 2479 Midland, TX 79702	
2. Article Number 7001 1140 0002 8323 2053 (Transfer from service label)	
PS Form 3811, August 2001 Domestic Return Receipt 102595-01-M-2509	

COMPLETE THIS SECTION ON DELIVERY	
A. Signature X Agent Addressee	
B. Received by (Printed Name) C. Date of Delivery	
D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:	
3. Service Type ☒ Certified Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No	



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

7001 1140 0002 8323 2060
7001 1140 0002 8323 2060

Postage	\$ 1.29
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.34

Postmark
Here

Sent To **Bob Statton, V.P. Reservoir Engineering**
Burgundy Oil & Gas, Inc.
Street, Apt. No., or PO Box No. **401 W. Texas, Suite 1003**
City, State, ZIP+ **Midland, TX 79701**

PS Form 3800, January 2001

U.S. Box 10420
MIDLAND, TEXAS 79702

Bob Statton, V.P. Reservoir Engineering
Burgundy Oil & Gas, Inc.
401 W. Texas, Suite 1003
Midland, TX 79701

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
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■ Print your name and address on the reverse so that we can return the card to you.
■ Attach this card to the back of the mailpiece, or on the front if space permits.

2. Article Number
(Transfer from service label)
7001 1140 0002 8323 2060

PS Form 3811, August 2001
Domestic Return Receipt
102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature **X**
Agent ☐
Addressee ☐

B. Received by (Printed Name) _____
C. Date of Delivery _____

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No