



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

May 7, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

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

Telefax No. (432) 682-7616

Attention: Doyle Hartman

Administrative Order SD-04-05

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on March 31, 2004 (***administrative application reference No. pMES0-412755621***); and (ii) the records of the Division in Santa Fe, including the file in Division Case No. 4318: all concerning your request for a fourth Jalmat gas well within the existing non-standard 316.23-acre gas spacing unit comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 7, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool (79240), Lea County, New Mexico.

Your application has been duly filed under the provisions of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

Division Order No. R-3930, issued in Case No. 4318 on March 11, 1970, initially established the subject 316.23-acre unit for the following two wells:

- (1) your Myers "B" Federal Well No. 1 (**API No. 30-025-11037**), located at a standard gas well location 660 feet from the North and West lines (Lot 1/Unit D) of Section 7; and
- (2) your Myers "B" Federal Well No. 10 (**API No. 30-025-11047**), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 7.

By Order, dated November 2, 1978, the Division Director granted administrative authorization for a third Jalmat gas well within this unit, the Myers "B" Federal Well No. 33 (**API No. 30-025-25973**), located 940 feet from the North line and 2090 feet from the East line (Unit B) of Section 7.

It is the Division's understanding that you now intent to drill your proposed Myers "B" Federal R/A "A" Well No. 34 as this unit's fourth active Jalmat gas well at a standard gas well location, pursuant to Rule 3 (A) (2) of the special rules governing the Jalmat Gas Pool, within the SE/4 NW/4 (Unit F) of Section 7.

By the authority granted me under the provisions of Rules 4 (B) and (D) of the special rules governing the Jalmat Gas Pool, Doyle Hartman is hereby authorized to simultaneously dedicate Jalmat gas production to this 316.23-acre non-standard gas spacing unit from the three existing Myers "B" Federal Wells No. 1, 10, and 33 and your proposed Myers "B" Federal R/A "A" Well No. 34. Furthermore, all provisions applicable to the subject unit in Division Order No. R-3930, as amended by the Division Director by Order dated November 2, 1978, 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,



Michael E. Stogner
Chief Hearing Officer/Engineer

MS/mes

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad
Mr. J. E. Gallegos, Legal Counsel for Doyle Hartman – Santa Fe
File: Division Case No. 4318