



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

MEMORANDUM

TO: Steve Ross, Legal Counsel
Ms. Lori Wrotenbery, Director

FROM: Michael E. Stogner, Chief Hearing Officer/Engineer *M. S.*

SUBJECT: Stipulated declaratory judgement of the First Judicial District Court in Santa Fe County, New Mexico issued on December 15, 2000 (see copy attached).

cc: David R. Catanach, Engineer/Hearing Officer
Chris Williams, District I Supervisor

DATE: March 7, 2001

Mr. Ross,

I understand from Mr. Catanach that while I was out of the office the week of February 19th through the 23rd that you were in the process of reviewing and possibly amending the judgement issued by the District Court in Santa Fe. I have an application by Citation to **recomplete** an existing well to the Eumont Gas Pool. The judgement in Ordering Paragraph No. 1 refers to the **drilling** of additional wells. Please advise. Thanks.

FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF SANTA FE

DOYLE HARTMAN, OIL OPERATOR,

Plaintiff,

v.

No. D-0101-CV9902927

NEW MEXICO OIL CONSERVATION
DIVISION, LORI WROTENBERY, DIVISION
DIRECTOR,

Defendants.

STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agree to the granting of the plaintiff's motion by the entry of this Declaratory Judgment in the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

1. ~~The approval of drilling an additional well or wells on a spacing unit ("infill drilling") in the Eumont and Jalmat Gas Pools~~ shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.
2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing

of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for affected persons. The application must be supported by evidence that the additional well or wells are necessary to efficiently and economically drain the proration unit, will prevent waste and protect correlative rights.

3. Each party shall bear their own costs and fees incurred in this matter.

JUDGE JIM HALL

JAMES A. HALL
DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

By 

J.E. GALLEGOS
MICHAEL J. CONDON
Attorneys for Doyle Hartman, Oil Operator

By 

MARILYN S. HEBERT
Attorney for New Mexico Oil Conservation
Division and Lori Wrotenbery, Director

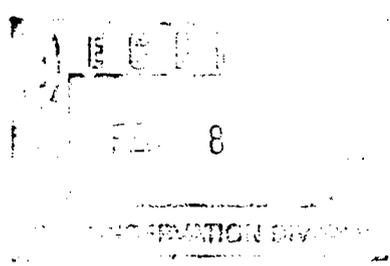
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NSL(SD) 2/28/01



February 2, 2001

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



ATTN: Mr. Michael Stogner

Re: Administrative Application for Simultaneous Dedication
State L (B-1400) Lease, Wells #1, #2 and #2Y
Eumont Yates Seven Rivers Queen (Pro Gas) Pool
SE/4 Sec. 1, T21S, R35E, Lea County, New Mexico

713873

Dear Mr. Stogner:

Citation Oil & Gas Corp. respectfully requests your approval of this administrative application for Simultaneous Dedication of acreage for the State L #1, #2 and #2Y wells. On February 16, 1998, your office approved Administrative order NSL-3949 (SD) for the State L #2 and #2Y wells due to reclassification of well #2Y from oil to gas. A copy of that Order is attached. ~~The State L #1 well was completed as an oil well on 9/11/1937 and was temporarily abandoned 4/13/1965. On 12/7/2000, it was recompleted to a gas well in the Eumont Yates Seven Rivers Queen (Pro Gas) Pool.~~

Citation intends to simultaneously dedicate the existing 160 acre Gas Proration Unit currently dedicated to the State L #2 and #2Y gas wells to include the State L #1 well. Approval to this administrative application is requested in order to prevent waste and to have all three wells classified as gas.

Attached is a map showing offset operators, Form C-102 and a copy of Form C-104 for reclassification of the L #1. A copy of this letter and attachments, with waiver to objection forms are being furnished by Certified Mail to offset operators as notice of this application.

If you have any questions or require additional information, please contact me at (281) 517-7194.

Sincerely,

Debra Harris
Debra Harris
Production/Regulatory Coordinator

Attachments

cc: NMOCD District I - Hobbs, NM
NM Commissioner of Public Lands Office



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 5, 2001

James A. Hall
District Judge, Division II
First Judicial District Court
P.O. Box 2268
Santa Fe, New Mexico 87504

Re: *Doyle Hartman, Oil Operator v. The New Mexico Oil Conservation Division, Lori Wrotenbery, Division Director, First Judicial District Cause No. D-0101-CV9902927*

Dear Judge Hall,

Counsel for the Division in this matter, Lyn Hebert, has left the Energy, Minerals and Natural Resources Department and for the time being I am handling this matter.

Please find enclosed the original and several copies of a proposed Amended Stipulated Declaratory Judgment in the above-referenced case. If appropriate, the parties desire that you execute the Amended Judgment.

As you recall, the parties agreed to entry of a Stipulated Declaratory Judgment, which was executed and filed on January 4, 2001. Since entry of the Judgment, minor issues have arisen with regard to its proper interpretation, and the parties conferred recently and agreed to minor amendments to clarify its meaning. The changes from the original Judgment are found in paragraph 2 and paragraph 3.

If you desire further explanation of the changes, I will be happy to request a hearing for presentment.

Thank you very much for your further consideration of this matter.

Sincerely,

Stephen C. Ross
Assistant General Counsel

Cc: J.E. Gallegos

**FIRST JUDICIAL DISTRICT
STATE OF NEW MEXICO
COUNTY OF SANTA FE**

DOYLE HARTMAN, OIL OPERATOR,

Plaintiff,

v.

No. D-0101-CV9902927

**NEW MEXICO OIL CONSERVATION
DIVISION, LORI WROTENBERY, DIVISION
DIRECTOR,**

Defendants.

AMENDED STIPULATED DECLARATORY JUDGMENT

Plaintiff Doyle Hartman, Oil Operator filed his Motion for Summary Judgment herein on December 15, 2000, which was supported by a Memorandum and Affidavit of Linda Land. The defendants New Mexico Oil Conservation Division ("Division") and Lori Wrotenbery, Division Director, agreed to the granting of the plaintiff's motion by the entry of a Declaratory Judgment and that judgment should be modified to provide the terms hereafter stated and the Court being fully advised IT IS THEREFORE ORDERED AND DECREED as follows:

1. The approval of drilling an additional well or wells on a spacing unit ("infill drilling") in the Eumont and Jalmat Gas Pools shall be administered in a manner that affords due process to affected parties, including notice, an opportunity to object and in the case of objection a right to public hearing in accordance with Division Rule 104.

2. In accordance with those principles it is provided that in the event an operator files an application with the Division for approval of an additional well or wells

in the Eumont Gas Pool or the Jalmat Gas Pool, which if allowed would result in spacing of less than 160 acres per well on a proration unit, the infill well or wells may be permitted only after notice pursuant to Division Rule 1207A(2) and opportunity for hearing for affected persons. Once notice is provided, the Division may process the application in a manner consistent with paragraph 3, herein, and otherwise consistent with the Division's practice, its Rules and Regulations and the Oil and Gas Act.

3. If no affected person timely objects and Division rules allow for administrative approval of the application, the application may be processed administratively and approved or denied by the Division without hearing. If an affected person timely objects, the Division shall set the matter for hearing.

4. This order will not impact or affect any administrative approvals issued prior to December 15, 2000, except for those orders which were the subject of this litigation.

5. Each party shall bear their own costs and fees incurred in this matter.

JAMES A. HALL
DISTRICT COURT JUDGE

AGREED AND APPROVED:

GALLEGOS LAW FIRM, P.C.

By  _____
J.E. GALLEGOS
MICHAEL J. CONDON
Attorneys for Doyle Hartman, Oil Operator

By 

STEPHEN C. ROSS

Attorney for New Mexico Oil Conservation
Division and Lori Wrotenbery, Director