



Case 6771

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 27, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Telefax No. (432) 682-7616

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

Attention: Steve Hartman

Administrative Order NSL-5044 (SD)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted by telefax to the New Mexico Oil Conservation Division ("Division") on October 30, 2003 (*administrative application reference No. pMES0-330734111*); (ii) your telephone enquiry on March 10, 2004 checking on the status of this application; and (iii) the Division's records in Santa Fe, including the file in Division Case No. 6771: all concerning your request for an unorthodox infill Jalmat gas well location within an existing 159.90-acre non-standard gas spacing unit comprising the E/2 SW/4 (Units K and N) of Section 31, Township 24 South, Range 37 East, NMPM, and Lots 2 and 3 (Units B and C) of Section 6, Township 25 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.

This non-standard 159.90-acre gas spacing unit was initially established by Division Order No. R-6259, issued in Case No. 6771 on February 7, 1980 for Doyle Hartman's existing J. W. Sherrell Well No. 10 (API No. 30-025-26704), located 660 feet from the North line and 2000 feet from the West line (Lot 3/Unit C) of Section 6. This location, at the time it was drilled (spud date March 9, 1980), was considered to be "standard" for this unit, but now considered to be unorthodox pursuant to Rule 3.(A) (2) of the special Jalmat pool rules; however, this location was further recognized under the "grandfather clause" of Rule 6.(B) of the special Jalmat pool rules.

By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Jalmat Gas Pool, the following described well, recently re-entered and recompleted into the Jalmat Gas Pool at an unorthodox infill gas well location within this 159.90-acre gas spacing unit is hereby approved:

J. W. Sherrell Well No. 5
990' FSL & 2172' FWL (Unit N) of Section 31
(API No. 30-025-11300).

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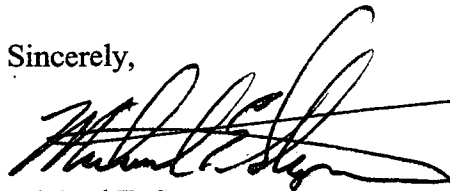
Division Administrative Order NSL-5044 (SD)

Further, Doyle Hartman is hereby authorized to simultaneously dedicate Jalmat gas production from both the above-described J. W. Sherrell Wells No. 5 and 10.

All provisions applicable to the existing 159.90-acre non-standard Jalmat gas spacing unit in Division Order No. R-6259 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,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending from the end of the signature across the page.

Michael E. Stogner
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division – Hobbs
File: Case No. 6771