

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN
P.O. BOX 10428
MIDLAND, TEXAS 79702

(915) 684-4011
(915) 682-7616 FAX

Via FedEx

June 29, 1998

Gruy Petroleum Management Company
600 E. Las Colinas Blvd., Suite 1200 (75039)
P.O. Box 140907
Irving, TX 75014-0907

*Call 12015
12017*

Attn: Richard R. Frazier, President & Chief Operating Officer
Bill Mann, Operations Manager
Greg Jessup, Vice President Land

Re: C.M. Farnsworth "C" No. 1
(Rhodes Federal Unit No. 41)
Section 4, T-26-S, R-37-E
Lea County, New Mexico
(Rhodes Gas Pool)

Gentlemen:

Reference is made to your newly drilled Rhodes Federal Unit No. 415 well which is a replacement Rhodes gas well situated on the currently existing 160-acre Rhodes Gas SPU consisting of the SW/4 Section 4, T-26-S, R-37-E.

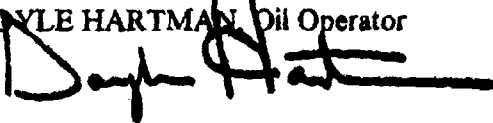
As you are aware, the Rhodes Gas Pool is a non-prorated gas pool with NMOC regulations providing for only one active gas well per 160-acre SPU. Moreover, as in part documented in that certain letter agreement dated May 18, 1960, between El Paso and R. Olsen, the ownership of the oil and gas rights, as to the SE/4SW/4 Section 4, was previously split between El Paso Natural Gas Company and R. Olsen and, to this date, the split ownership has not been recombined. Consequently, before you permanently abandon the now excess C.M. Farnsworth "C" No. 1 wellbore situated in N-4-26S-37E, we respectfully request that Gruy, as successor owner of the C.M. Farnsworth "C" gas rights, first give timely notice, to the owner and operator of the oil rights for the SE/4SW/4

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Section 4, T-26-S, R-37-E, of any permanent abandonment of the excess C.M. Farnsworth "C" No. 1 wellbore.

Very truly yours,

DOYLE HARTMAN Oil Operator



Doyle Hartman

enclosures

rca
wpdocs\corresp.dh\gruy.2

cc: New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505
Attn: Michael Stogner, Chief Hearing Officer

New Mexico Oil Conservation Division
1000 W. Broadway (88240)
P.O. Box 1980
Hobbs, NM 88241
Attn: Chris Williams, District Supervisor

Bureau of Land Management
1717 W. Second
Roswell, NM 88201
Attn: Armando Lopez, Asst. District Mgr., Minerals

Bureau of Land Management
620 E. Green (88220)
P.O. Box 1778
Carlsbad, NM 88221-1778
Attn: Richard L. Manus, Area Manager

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Bureau of Land Management
414 W. Taylor
Hobbs, NM 88240
Attn: Vince Balderaz, Lead Oil & Gas Inspector

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

MAY-20-88 WED 10:20 AM

P. 02



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87304
(505) 827-6300

MEMORANDUM

TO: ALL OPERATORS

FROM: WILLIAM J. LEMAY, DIRECTOR *WJL*

SUBJECT: RULE 104 C II OF THE GENERAL RULES AND REGULATIONS

DATE: AUGUST 3, 1990

On July 27, 1988, we sent a memorandum to all operators to explain the Division's procedures for ensuring compliance with the above rule in handling applications for additional wells on existing proration units. The procedures are primarily applicable in unprorated gas pools.

The final paragraph of the July 27 memo reads as follows:

"Applications for additional wells on existing proration units will be approved only on the understanding that upon completion of the well the operator shall elect which well will be produced and which will be abandoned. Application to produce both wells will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced."

Additional explanation of the intent of the above paragraph is set out below:

Application to produce both wells continuously and concurrently will be approved only after notice and hearing and upon compelling evidence that the applicant's correlative rights will be impaired unless both wells are produced.

Requests to produce the wells alternately (one well shut-in while the other produces) may be submitted for administrative handling. The request should set out the length of the producing and shut-in cycles for each well (a one month minimum is suggested), the proposed method for ensuring compliance with the proposed producing and shut-in schedules, and the reasons for the request. Notice should be provided to offset operators in the usual manner, allowing a 20-day waiting period. The application should be sent to Santa Fe with a copy to the appropriate District office.

P.O. Box 1060, Elkhart, NM 88241-1060

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1964
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

P.O. Drawer 20, Arleta, NM 88211-0710

1080 Elie Branch Rd., Artes, NM 87410

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

P.O. Box 2044, Santa Fe, NM 87504-2044

☐ AMENDED REPORT

API Number 30-025-34396	Pool Code 83810	Pool Name RHODES-YATES-7 RIVERS
Property Code 22321	Property Name RFU	Well Number 415
OGUID No. 162683	Operator Name GRUY PETROLEUM MANAGEMENT CO.	Elevation 2984

UL or Lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
M	4	26 S	37 E		660	SOUTH	660	WEST	LEA

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

<div style="border: 1px dashed black; height: 400px; margin-bottom: 20px;"></div> <div style="border: 1px dashed black; height: 150px; position: relative;"><div style="position: absolute; bottom: 10px; left: 10px; text-align: center;"><div style="display: flex; justify-content: space-between; width: 100%;">2982.6'2982.4'</div><div style="display: flex; align-items: center; justify-content: center;"><div style="display: flex; flex-direction: column; align-items: center;"><div style="width: 10px; height: 10px; border: 1px solid black; border-radius: 50%;"></div><div style="width: 10px; height: 10px; border: 1px solid black; border-radius: 50%;"></div><div style="width: 10px; height: 10px; border: 1px solid black; border-radius: 50%;"></div></div><div style="display: flex; justify-content: space-between; width: 100%;">2986.1'2983.4'</div></div></div></div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">OPERATOR CERTIFICATION<p style="font-size: small; margin-top: 5px;">I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p><div style="margin-top: 10px;"><div style="border-bottom: 1px solid black; width: 100%; text-align: center;"><i>Joe T. Janica</i></div><div style="display: flex; justify-content: space-between; font-size: small;">SignatureJoe T. Janica</div><div style="border-bottom: 1px solid black; width: 100%; text-align: center;">Printed Name</div><div style="display: flex; justify-content: space-between; font-size: small;">Agent</div><div style="border-bottom: 1px solid black; width: 100%; text-align: center;">Title</div><div style="display: flex; justify-content: space-between; font-size: small;">Date04/07/98</div></div></div> <div style="border: 1px solid black; padding: 5px;">SURVEYOR CERTIFICATION<p style="font-size: small; margin-top: 5px;">I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p><div style="display: flex; justify-content: space-between; margin-top: 10px;">MARCH26, 1998</div><div style="display: flex; justify-content: space-between; font-size: small; margin-top: 10px;">Date SurveyedJLP</div><div style="margin-top: 10px;"><div style="border: 1px solid black; padding: 5px; text-align: center; font-size: x-small;">Professional Surveyor</div><div style="display: flex; align-items: center; justify-content: center;"><div style="border: 1px solid black; border-radius: 50%; padding: 10px; text-align: center; margin-right: 10px;">NEW MEXICO 3-31-98 0497</div><div style="text-align: center;"><div style="border-bottom: 1px solid black; width: 100%; text-align: center;"><i>Ronald S. Edson</i></div><div style="font-size: x-small;">RONALD S. EDSON NEW MEXICO 3-31-98 0497</div></div></div></div><div style="font-size: x-small; margin-top: 10px;">Certificate No. RONALD S. EDSON, 3239 GARY G. EDSON, 12641 TED PROFFER, 12188</div></div>
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**ADMINISTRATIVE
ORDER NSP-1292**

**NEW MEXICO OIL & GAS ACT
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Supp. Order 4-128
Effective 1-1-63

All distances must be from the outer boundaries of the Section.

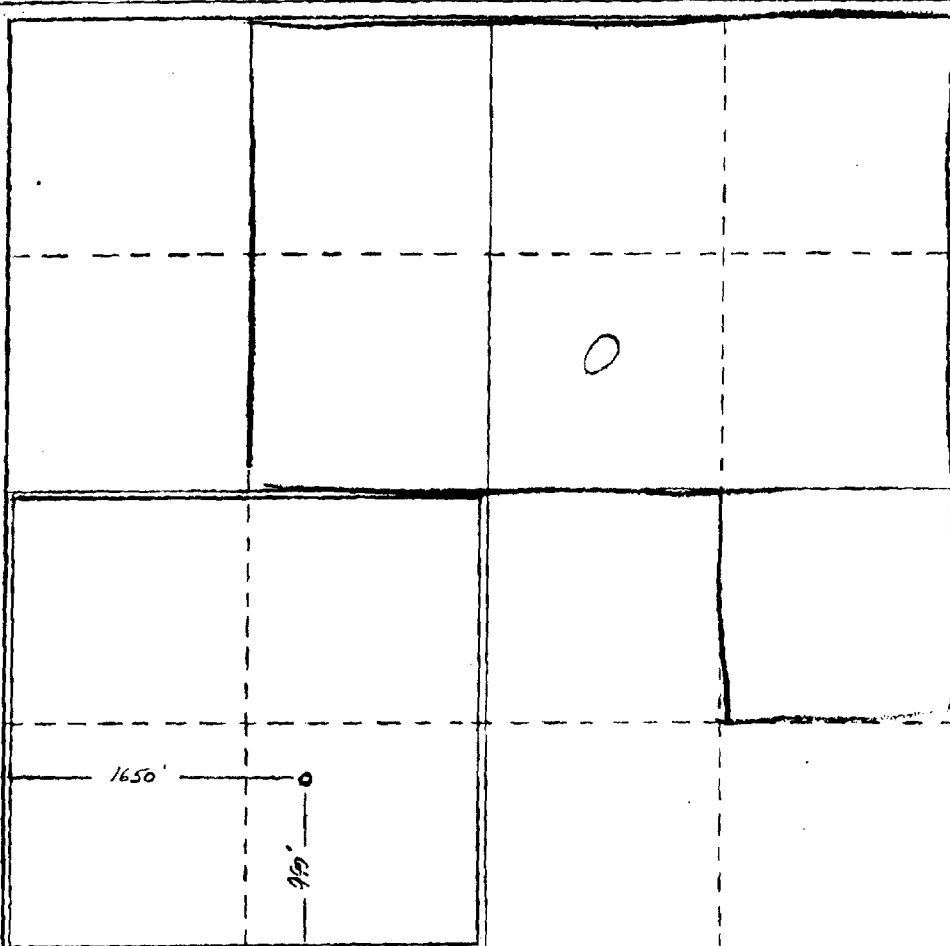
Operator EL PASO NATURAL GAS COMPANY			Lease Farnsworth "C"		Well No. 1
Unit Letter N	Section 4	Township 26 S	Range 37 E	County LEA	
Actual Footage Location of Well: 990 feet from the South line and 1650 feet from the West line					
Ground Level Elev. 2983.0	Producing Formation YATES - 7 RIVERS		Pool RHODES YATES - 7 RIVERS		Dedicated Acreage 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

John S. Delk
Name

JOHN S. DELK

Position

SUPERVISOR PROD. SVCS.

Company

EL PASO NATURAL GAS CO.

Date

MARCH 2, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Not Available

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600