



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 30, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Gruy Petroleum Management Company
P. O. Box 140907
Irving, Texas 75014-0907

Attention: Zeno Farris

Case 12724

Re: *Administrative application for an exception to the well location provisions [Rule 4 (b) 2] of the "Special Rules and Regulations for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170, as amended.*

Dear Mr. Farris:

This letter acknowledges the receipt of your administrative application dated July 17, 2001 of an unorthodox Jalmat infill gas well location for the existing Myers "B" Well No. 8 (API No. 30-025-34768) located 2260 feet from the North line and 2310 feet from the East line (Unit G) of Section 11, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico. The Division received your application on July 20, 2001, and assigned it NMOCD reference No. *pKRV0-120152765*. Please refer to this number in future correspondence with the Division.

Our preliminary review indicates that the information provided in the application is not sufficient to process an administrative order.

Your application indicates that Jalmat gas production in the NE/4 of Section 11 is dedicated to the following acreage assignments:

- (1) the 120 acres comprising the N/2 NE/4 and SW/4 NE/4 of Section 11 as being dedicated to Gruy Petroleum Management's Company's Myers "B" Well No. 6 (API No. 30-025-31382) located 660 feet from the North and East lines (Unit A) of Section 11; and
- (2) the remaining 40 acres comprising the SE/4 NE/4 (Unit H) of Section 11 being dedicated to Westbrook Oil Corporation's Myers "B" Well No. 2 (API No. 30-025-09543) located 1980 feet from the North line and 660 feet from the East line of Section 11.

After a search of our records I can not find any order for either of these non-standard units. The last reference found involving this acreage and these wells is Division Administrative Order SD-91-4 dated July 8, 1991, issued to Meridian Oil, Inc., which authorized the simultaneous dedication of the NE/4 of Section 11, being an existing non-standard 160-acre gas spacing and proration unit (approved by Division Order No. R-619,

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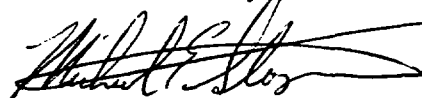
issued in Case No. 835 on April 20, 1955) to both the above-described Myers "B" Wells No. 2 and 6. If, as indicated in your application, these two non-standard GPU's are currently in existence, please provide me with a copy of the order (s) authorizing such, or act to have these two units officially authorized through the Division's administrative process.

Since the submitted information is insufficient to review, the immediate application was ruled as incomplete on July 30, 2001. Please submit the above stated information by Monday, August 6, 2001.

The Division can not proceed with this particular application until the required information is submitted. Upon receipt, the Division will continue to process this application along with any other request deemed necessary. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad
William F. Carr, Legal Counsel for Gruy Petroleum Management - Santa Fe
Westbrook Oil Corporation - Hobbs