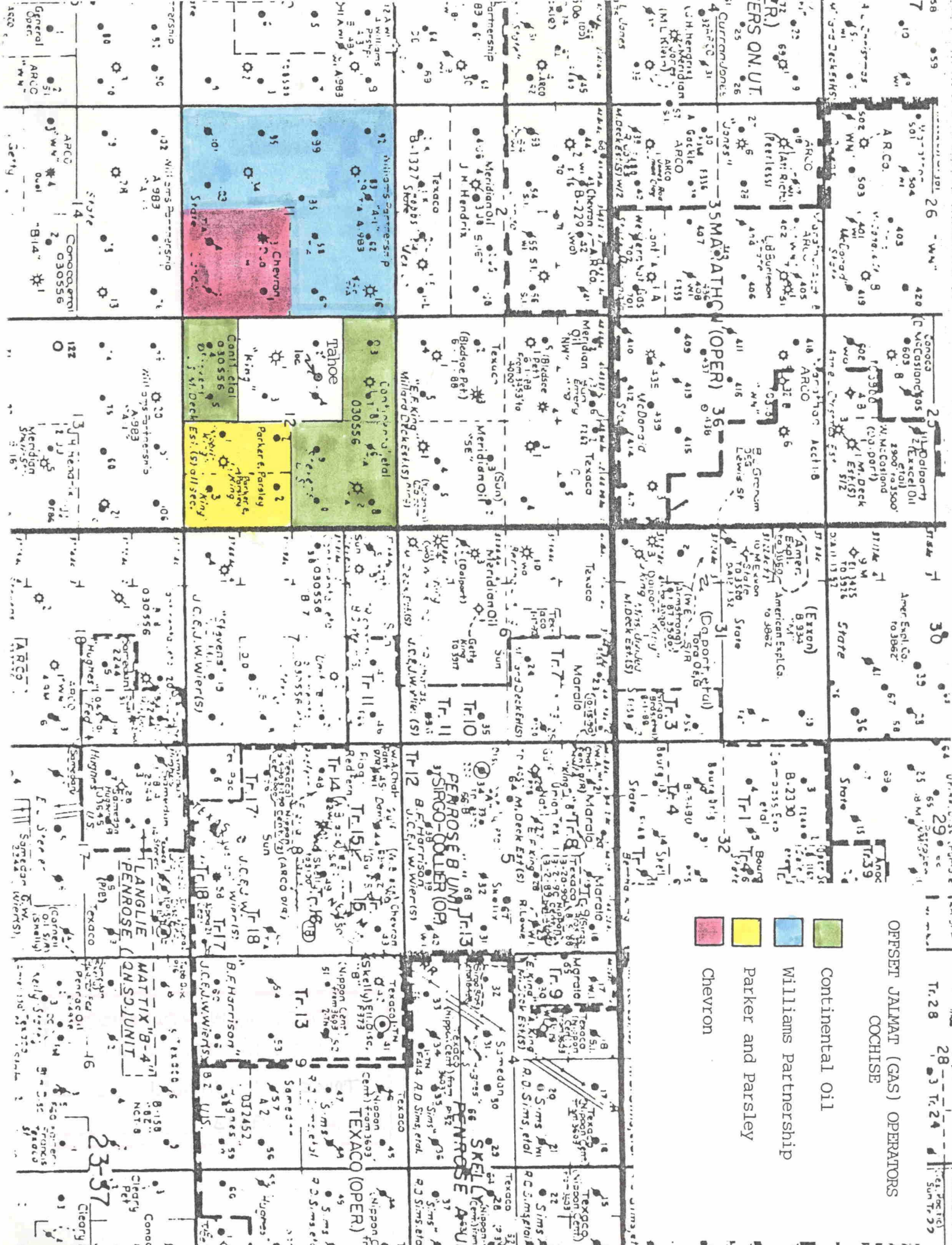


OFFSET JAMAT (GAS) OPERATORS  
COCHISE

- Continental Oil
- Williams Partnership
- Parker and Parsley
- Chevron



BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

TAXID EXHIBIT NO. 1

CASE NO. 9873

TAHOE ENERGY, INC.

KING GAS COM. WN #1  
unit L Sec. 12 T23-S R36-E  
Lea County N. Mexico

JALMAT TANSILL YATES 7 RVRS. (PRO. GAS)

1989 ALLOWABLE

87,600 mcf

PRODUCTION

7,776 mcf

(79,824 mcf)

46 6690

K&E 5 YEARS BY MONTHS X 3 LOG CYCLES  
KEUFFEL & ESSER CO. MADE IN USA

MCF/MO.

JALMAT  
16035 Production Unit  
7,300 MCF/MO.

ACTUAL MONTHLY  
PRODUCTION

|                           |               |
|---------------------------|---------------|
| BEFORE EXAMINER CATANACH  |               |
| OIL CONSERVATION DIVISION |               |
| TAHOE                     | EXHIBIT NO. 2 |
| CASE NO.                  | 9873          |

|       |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |
|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Jan   | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan   | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan   | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan   | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan   | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 19 98 |     |     |     |     |     |     |     |     |     |     |     | 19 99 |     |     |     |     |     |     |     |     |     |     |     | 19 90 |     |     |     |     |     |     |     |     |     |     |     | 19 91 |     |     |     |     |     |     |     |     |     |     |     | 19 92 |     |     |     |     |     |     |     |     |     |     |     |
| 7604  |     |     |     |     |     |     |     |     |     |     |     | 7776  |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |       |     |     |     |     |     |     |     |     |     |     |     |

A GAS WELL in the Jalmat Gas Pool shall be a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil.

AN OIL WELL in the Jalmat Gas Pool shall be a well producing from the vertical limits of the pool and not classified as a gas well as defined above.

THE LIMITING GAS-OIL RATIO for oil wells in the Jalmat Gas Pool shall be 10,000 cubic feet of gas per barrel of oil.

#### B. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 2(a) 1. A standard gas proration in the Jalmat Gas Pool shall be 640 acres.

2. A standard oil proration unit in the Jalmat Gas Pool shall be 40 acres.

3. Acreage dedicated to a gas well in the Jalmat Gas Pool shall not be simultaneously dedicated to an oil well in the Jalmat Gas Pool, and the dual completion of a well so as to produce oil from the Yates and oil from the Seven Rivers or Queen formation is prohibited.

RULE 2(b) 1. A gas well in the Jalmat Gas Pool to which 640 acres is dedicated shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line or subdivision boundary line.

2. An oil well in the Jalmat Gas Pool shall be located no nearer than 330 feet to the outer boundary of any governmental quarter-quarter section or subdivision boundary line.

(Any well drilled to and producing from the Jalmat Gas Pool prior to September 1, 1954, at a location conforming with the spacing requirements effective at the time said well was drilled, shall be granted a tolerance not exceeding 330 feet with respect to the required distance from the boundary lines.)

RULE 4(b) 2. In establishing a non-standard gas proration unit in the Jalmat Gas Pool, the location of the well with respect to the two nearest boundary lines thereof shall govern the maximum amount of acreage that may be assigned to the well for the purposes of gas proration as follows:

| Location | Maximum Acreage |
|----------|-----------------|
| 660-660  | 160 acres       |
| 660-990  | 320 acres       |
| 990-990  | 600 acres       |

#### D. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 5. Acreage is the only proration factor in the Jalmat Gas Pool.

(a) A 640 acre proration unit in the Jalmat Gas Pool shall be assigned an Acreage Factor of 4.00, a 160 acre proration unit an Acreage Factor of 1.00, etc.

#### I. MISCELLANEOUS SPECIAL POOL RULES

RULE 26. Oil wells in the Jalmat Gas Pool shall receive oil and casinghead gas allowables as provided in Rules 503, 505, and 506 of the Division Rules and Regulations.

#### SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL

The Jalmat Gas Pool, Lea County, New Mexico, was created effective September 1, 1954, from a consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. Gas prorationing was instituted in the Jalco and Langmat Pools January 1, 1954, and was continued after consolidation to form the Jalmat Gas Pool. The Jalmat Gas Pool now includes acreage that was formerly included in the Jal, Cooper-Jal, Eaves, Falby-Yates, Jalco and Langmat Pools.

#### A. DEFINITIONS

THE VERTICAL LIMITS of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation, except,

In the area described immediately below, the vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 250 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 13: SE/4 NE/4, SE/4

Section 23: E/2 E/2

Section 24: All

Section 25: N/2

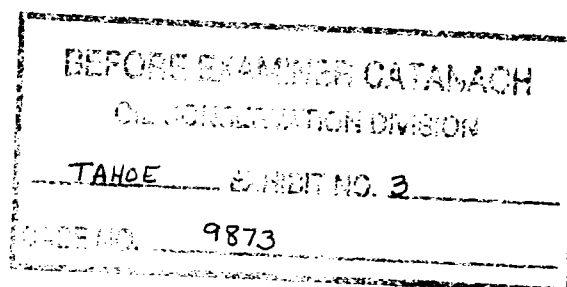
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 18: SW/4 NW/4, W/2 SW/4

Section 19: W/2

Section 30: NW/4



CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM R. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 16, 1990

**CERTIFIED MAIL -**  
**RETURN RECEIPT REQUESTED**

Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702

|                           |               |
|---------------------------|---------------|
| BEFORE EXAMINER CATANACH  |               |
| OIL CONSERVATION DIVISION |               |
| TAHOE                     | EXHIBIT NO. 4 |
| CASE NO.                  | 9873          |

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well Location and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

Please be advised that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval for an unorthodox well location in the Jalmat Gas Pool for its Cochise No. 1 Well located 1980 feet from the North line and 1600 feet from the West line of Section 12, Township 23 South, Range 36 East, Lea County, New Mexico.

Tahoe also seeks simultaneous dedication of the Cochise No. 1 Well with the King Gas Com No. 1, located 2310 feet from the South line and 990 feet from the West line of said Section 12.

The above described application will be set for hearing before a Division Examiner on February 7, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Chevron U.S.A., Inc.  
January 16, 1990  
Page Two

This letter is to provide you with notice of this application as required by the Oil Conservation Division Rule 1207. If you have no objection to Tahoe's requests, please sign below and return one copy to us for filing with the Division. A self-addressed stamped envelope has been provided for your convenience.

Very truly yours,



WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

APPROVAL

Company: Chevron U.S.A. Inc.

By: Alan W. Bohling Special Projects Engr.

Date: January 25, 1990

WFC:mlh  
Enclosure

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

RECEIVED  
FEB -7 1990  
CAMPBELL & BLACK

January 16, 1990

**CERTIFIED MAIL -**  
**RETURN RECEIPT REQUESTED**

Parker and Parsley Petroleum Company  
600 West Illinois, Suite 103  
Midland, Texas 79701

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well  
Location and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

Please be advised that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval for an unorthodox well location in the Jalmat Gas Pool for its Cochise No. 1 Well located 1980 feet from the North line and 1600 feet from the West line of Section 12, Township 23 South, Range 36 East, Lea County, New Mexico.

Tahoe also seeks simultaneous dedication of the Cochise No. 1 Well with the King Gas Com No. 1, located 2310 feet from the South line and 990 feet from the West line of said Section 12.

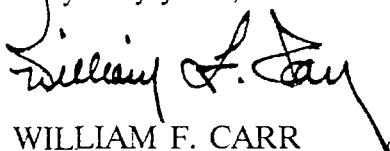
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Parker and Parsley Petroleum Company  
January 16, 1990  
Page Two

This letter is to provide you with notice of this application as required by the Oil Conservation Division Rule 1207. If you have no objection to Tahoe's requests, please sign below and return one copy to us for filing with the Division. A self-addressed stamped envelope has been provided for your convenience.

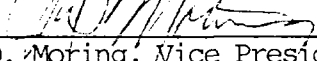
Very truly yours,



WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

#### APPROVAL

Company: Parker & Parsley Petroleum Co.

By:   
J. D. Moring, Vice President-Operations

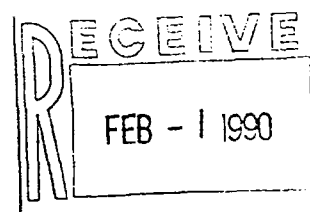
Date: February 5, 1990

WFC:mlh  
Enclosure



CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS



JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 30, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

RECEIVED  
FEB - 8 1990  
CAMPBELL & BLACK

Williams Partnership  
6 Desta Drive, Suite 5850  
Midland, Texas 79705

Attn: Hal Rasmussen, Jr.

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well  
Location, Non-Standard Proration Unit, and Simultaneous Dedication, Lea  
County, New Mexico

Gentlemen:

Please be advised that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval for an unorthodox well location in the Jalmat Gas Pool for its Cochise No. 1 Well located 1980 feet from the North line and 1600 feet from the West line of Section 12, Township 23 South, Range 36 East, Lea County, New Mexico. Approval of a non-standard Jalmat proration unit comprised of the S/2 NW/4 and N/2 SW/4 of said Section 12 is also sought in this application.

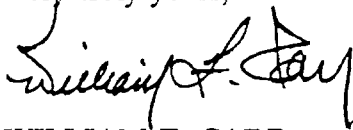
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The above described application will be set for hearing before a Division Examiner on February 21, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Williams Partnership  
Attn: Hal Rasmussen, Jr.  
January 30, 1990  
Page Two

This letter is to provide you with notice of this application as required by the Oil Conservation Division Rule 1207. If you have no objection to Tahoe's requests, please sign below and return one copy to us for filing with the Division. A self-addressed stamped envelope has been provided for your convenience.

Very truly yours,



WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

APPROVAL

Company: HAC & RASMUSSEN OPERATING INC.

By: 

Date: 2/6/90

WFC:mlh  
Enclosure

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

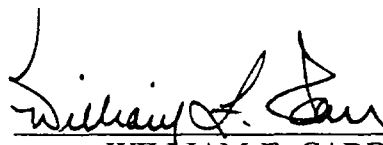
IN THE MATTER OF THE APPLICATION  
OF TAHOE ENERGY INC. FOR AN  
UNORTHODOX GAS WELL LOCATION,  
NON-STANDARD PRORATION UNIT,  
AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO.

AFFIDAVIT

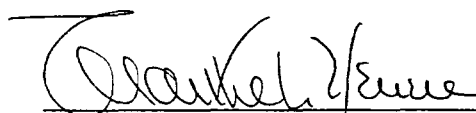
STATE OF NEW MEXICO     )  
  )ss.  
COUNTY OF SANTA FE     )

|  |                      |
|--|----------------------|
| CASE NO. 9873  |                      |
| <b>BEFORE EXAMINER CATANACH</b><br>OIL CONSERVATION DIVISION |                      |
| <u>TAHOE</u>   | EXHIBIT NO. <u>5</u> |
| CASE NO. <u>9873</u>   |                      |

WILLIAM F. CARR, attorney in fact and authorized representative of Tahoe Energy Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

  
\_\_\_\_\_  
WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 6th day of March, 1990.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

August 19, 1991

EXHIBIT A

Continental Oil Company  
Post Office Box 1959  
Midland, Texas 79702

Parker and Parsley Petroleum Company  
600 West Illinois, Suite 103  
Midland, Texas 79701

Williams Partnership  
6 Desta Drive, Suite 5850  
Midland, Texas 79705  
Attn: Hal Rasmussen, Jr.

Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702

Williams Partnership  
6 Desta Drive, Suite 5850  
Midland, Texas 79705  
Attn: Hal Rasmussen, Jr.

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 30, 1990

**CERTIFIED MAIL -**  
**RETURN RECEIPT REQUESTED**

Continental Oil Company  
Post Office Box 1959  
Midland, Texas 79702

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well Location, Non-Standard Proration Unit, and Simultaneous Dedication, Lea County, New Mexico

Gentlemen:

Please be advised that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval for an unorthodox well location in the Jalmat Gas Pool for its Cochise No. 1 Well located 1980 feet from the North line and 1600 feet from the West line of Section 12, Township 23 South, Range 36 East, Lea County, New Mexico. Approval of a non-standard Jalmat proration unit comprised of the S/2 NW/4 and N/2 SW/4 of said Section 12 is also sought in this application.

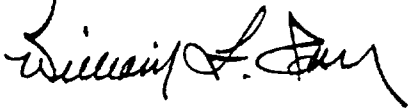
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Continental Oil Company  
January 30, 1990  
Page Two

This letter is to provide you with notice of this application as required by the Oil Conservation Division Rule 1207. If you have no objection to Tahoe's requests, please sign below and return one copy to us for filing with the Division. A self-addressed stamped envelope has been provided for your convenience.

Very truly yours,



WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

APPROVAL

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

WFC:mlh  
Enclosure

P-106 678 405

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

|  |    |
|--|----|
| Sent to<br><b>Continental Oil Company</b>                    |    |
| Street and No.<br><b>Post Office Box 1959</b>                |    |
| P.O., State and ZIP Code<br><b>Midland, Texas 79702</b>      |    |
| Postage  | \$ |
| Certified Fee  |    |
| Special Delivery Fee   |    |
| Restricted Delivery Fee                                      |    |
| Return Receipt showing to whom and Date Delivered            |    |
| Return Receipt showing to whom Date, and Address of Delivery |    |
| TOTAL Postage and Fees                                       | \$ |
| Postmark or Date<br><b>JAN 30 1990</b>                       |    |

PS Form 3800, June 1985

**● SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for (9a and check boxes) for additional service(s) requested.  
1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge)  
2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
**CONOCO**  
Continental Oil Company  
Post Office Box 1959  
Midland, Texas 79702

4. Article Number  
**P 106 678 405**

Type of Service:  
☐ Registered  
☒ Certified  
☐ Insured  
☐ COD  
☐ Express Mail  
☐ Return Receipt for Merchandise

5. Signature - Address  
**X**

6. Signature - Agent  
**X** *[Signature]*

7. Date of Delivery  
**FEB 5 1990**

8. Addressee's Address (ONLY if requested and fee paid)  
**SAHE**

Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT



CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
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JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 30, 1990

**CERTIFIED MAIL -**  
**RETURN RECEIPT REQUESTED**

Parker and Parsley Petroleum Company  
600 West Illinois, Suite 103  
Midland, Texas 79701

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well  
Location, Non-Standard Proration Unit, and Simultaneous Dedication, Lea  
County, New Mexico

Gentlemen:

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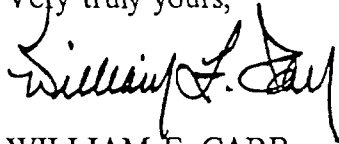
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Parker and Parsley Petroleum Company  
January 30, 1990  
Page Two

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Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

APPROVAL

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

WFC:mlh  
Enclosure

P-106 678 404

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

|   |    |
|---|----|
| Sent to Company<br>Parker and Parsley Petroleum               |    |
| Street and No.<br>600 W. Illinois, Suite 103                  |    |
| P.O. State and ZIP Code<br>Midland, Texas 79701               |    |
| Postage   | \$ |
| Certified Fee   |    |
| Special Delivery Fee  |    |
| Restricted Delivery Fee                                       |    |
| Return Receipt showing to whom and Date Delivered             |    |
| Return Receipt showing to whom, Date, and Address of Delivery |    |
| TOTAL Postage and Fees  | \$ |
| Postmark or Date<br><br>JAN 30 1990                           |    |

PS Form 3800, June 1985

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

|   |   |
|---|---|
| 3. Article Addressed to:<br><br>Parker and Parsley<br>Petroleum Company<br>600 West Illinois, Suite 103<br>Midland, Texas 79701 | 4. Article Number<br><br>P 106 678 404  |
| 5. Signature - Address<br><br>X   | Type of Service:<br><input type="checkbox"/> Registered <input type="checkbox"/> Insured<br><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD<br><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent<br>X <i>M. Boerger</i>   | 8. Addressee's Address (ONLY if requested and fee paid)<br><br><i>Jane</i>  |
| 7. Date of Delivery<br><i>2-1-90</i>  |   |

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 30, 1990

**CERTIFIED MAIL -**  
**RETURN RECEIPT REQUESTED**

Williams Partnership  
6 Desta Drive, Suite 5850  
Midland, Texas 79705

Attn: Hal Rasmussen, Jr.

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well  
Location, Non-Standard Proration Unit, and Simultaneous Dedication, Lea  
County, New Mexico

Gentlemen:

Please be advised that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval for an unorthodox well location in the Jalmat Gas Pool for its Cochise No. 1 Well located 1980 feet from the North line and 1600 feet from the West line of Section 12, Township 23 South, Range 36 East, Lea County, New Mexico. Approval of a non-standard Jalmat proration unit comprised of the S/2 NW/4 and N/2 SW/4 of said Section 12 is also sought in this application.

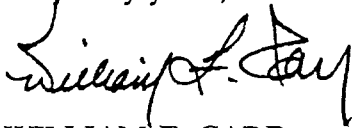
Tahoe also seeks simultaneous dedication of the Cochise No. 1 Well with the King Gas Com No. 1, located 2310 feet from the South line and 990 feet from the West line of said Section 12.

The above described application will be set for hearing before a Division Examiner on February 21, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Williams Partnership  
Attn: Hal Rasmussen, Jr.  
January 30, 1990  
Page Two

This letter is to provide you with notice of this application as required by the Oil Conservation Division Rule 1207. If you have no objection to Tahoe's requests, please sign below and return one copy to us for filing with the Division. A self-addressed stamped envelope has been provided for your convenience.

Very truly yours,



WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

APPROVAL

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

WFC:mlh  
Enclosure

P-106 678 402

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

|  |   |
|--|---|
| Sent to Attn: Hal Rasmussen, Jr.<br>Williams Partnership         |   |
| Street and No<br>6 Desta Drive, Suite 5850                       |   |
| P.O. State and ZIP Code<br>Midland, Texas 79705                  |   |
| Postage  | 5 |
| Certified Fee  |   |
| Special Delivery Fee   |   |
| Restricted Delivery Fee  |   |
| Return Receipt showing<br>to whom and Date Delivered             |   |
| Return Receipt showing to whom,<br>Date, and Address of Delivery |   |
| TOTAL Postage and Fees   | 5 |
| Postmark or Date<br><b>JAN 30 1990</b>                           |   |

PS Form 3800, June 1985

|   |   |
|---|---|
| <p><b>SENDER:</b> Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.</p> <p>1. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p> |   |
| <p>3. Article Addressed to:</p> <p>Williams Partnership<br/>6 Desta Drive, Suite 5850<br/>Midland, Texas 79705</p> <p>Attn: Hal Rasmussen, Jr.</p>  | <p>4. Article Number</p> <p>P 106 678 402</p>   |
| <p>5. Signature - Address</p> <p>X</p>  | <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p> |
| <p>6. Signature - Agent</p> <p>X <i>Maatha Tano</i></p>   | <p>8. Addressee's Address (ONLY if requested and fee paid)</p> <p><i>678 5850</i></p>   |
| <p>7. Date of Delivery</p> <p><i>2/1/90</i></p>   |   |

PS Form 3811, Mar. 1988

\* U.S.G.P.O. 1988-212-865

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

January 30, 1990

**CERTIFIED MAIL -**  
**RETURN RECEIPT REQUESTED**

Chevron U.S.A. Inc.  
Post Office Box 1150  
Midland, Texas 79702

Re: Application of Tahoe Energy, Inc. for approval of an Unorthodox Well  
Location, Non-Standard Proration Unit, and Simultaneous Dedication, Lea  
County, New Mexico

Gentlemen:

Please be advised that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval for an unorthodox well location in the Jalmat Gas Pool for its Cochise No. 1 Well located 1980 feet from the North line and 1600 feet from the West line of Section 12, Township 23 South, Range 36 East, Lea County, New Mexico. Approval of a non-standard Jalmat proration unit comprised of the S/2 NW/4 and N/2 SW/4 of said Section 12 is also sought in this application.

Tahoe also seeks simultaneous dedication of the Cochise No. 1 Well with the King Gas Com No. 1, located 2310 feet from the South line and 990 feet from the West line of said Section 12.

The above described application will be set for hearing before a Division Examiner on February 21, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.



Chevron U.S.A., Inc.  
January 30, 1990  
Page Two

This letter is to provide you with notice of this application as required by the Oil Conservation Division Rule 1207. If you have no objection to Tahoe's requests, please sign below and return one copy to us for filing with the Division. A self-addressed stamped envelope has been provided for your convenience.

Very truly yours,



WILLIAM F. CARR  
ATTORNEYS FOR TAHOE ENERGY, INC.

APPROVAL

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

WFC:mlh  
Enclosure

P-106 678 403

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

|  |   |
|--|---|
| Sent to<br>Chevron U.S.A., Inc.                                  |   |
| Street and No.<br>Post Office Box 1150                           |   |
| P.O., State and ZIP Code<br>Midland, Texas 79702                 |   |
| Postage  | S |
| Certified Fee  |   |
| Special Delivery Fee   |   |
| Restricted Delivery Fee  |   |
| Return Receipt showing<br>to whom and Date Delivered             |   |
| Return Receipt showing to whom,<br>Date, and Address of Delivery |   |
| TOTAL Postage and Fees   | S |
| Postmark or Date<br><b>JAN 30 1990</b>                           |   |

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702

4. Article Number  
P 106 678 403

Type of Service:  
☐ Registered  
☒ Certified  
☐ Insured  
☐ Express Mail  
☐ COD  
☐ Return Receipt for Merchandise  
 Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature — Addressee  
X

6. Signature — Agent  
X *[Signature]*

7. Date of Delivery  
FEB 2 1990

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

Conoco Inc.  
Stevens "B" Well No. 1  
660' ENE - 1650' FEZ  
Spud: 10/15/47  
Tolmat Gas Pool Comp.  
160-acre MSP comprising  
the NW 1/4  
authorized by MSP-316  
dated August 15, 1956

Conoco Inc.  
Stevens "B" Well No. 2  
990' ENE  
Spud: 10/31/47  
Tolmat Gas Completion  
160-acre MSP authorized  
by Division Order  
No. R-520

Tahoe Energy Inc.  
King Gas Com "WW"  
Well No. 1  
2310' ESE - 990' FEZ  
Spud: 3/30/47  
Tolmat Gas Completion  
160-acre MSP comprising  
the SW 1/4  
authorized by MSP-535  
dated Nov. 15, 1960

Parker & Parsby Petroleum Co.  
F.F. King Well No. 1  
990' ESE - 1650' FEZ  
Spud: 9/12/47  
Tolmat Gas Completion  
160-acre MSP authorized  
by Division Order  
No. R-520

Proposed  
Cochise Well No. 1



|   |   |  |  |  |  |
|---|---|--|--|--|--|
| <p>McDonald</p> <p>State</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>35</p> <p>36</p> <p>37</p> <p>38</p> <p>39</p> <p>40</p> <p>41</p> <p>42</p> <p>43</p> <p>44</p> <p>45</p> <p>46</p> <p>47</p> <p>48</p> <p>49</p> <p>50</p> <p>51</p> <p>52</p> <p>53</p> <p>54</p> <p>55</p> <p>56</p> <p>57</p> <p>58</p> <p>59</p> <p>60</p> <p>61</p> <p>62</p> <p>63</p> <p>64</p> <p>65</p> <p>66</p> <p>67</p> <p>68</p> <p>69</p> <p>70</p> <p>71</p> <p>72</p> <p>73</p> <p>74</p> <p>75</p> <p>76</p> <p>77</p> <p>78</p> <p>79</p> <p>80</p> <p>81</p> <p>82</p> <p>83</p> <p>84</p> <p>85</p> <p>86</p> <p>87</p> <p>88</p> <p>89</p> <p>90</p> <p>91</p> <p>92</p> <p>93</p> <p>94</p> <p>95</p> <p>96</p> <p>97</p> <p>98</p> <p>99</p> <p>100</p> | <p>McDonald</p> <p>State</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>35</p> <p>36</p> <p>37</p> <p>38</p> <p>39</p> <p>40</p> <p>41</p> <p>42</p> <p>43</p> <p>44</p> <p>45</p> <p>46</p> <p>47</p> <p>48</p> <p>49</p> <p>50</p> <p>51</p> <p>52</p> <p>53</p> <p>54</p> <p>55</p> <p>56</p> <p>57</p> <p>58</p> <p>59</p> <p>60</p> <p>61</p> <p>62</p> <p>63</p> <p>64</p> <p>65</p> <p>66</p> <p>67</p> <p>68</p> <p>69</p> <p>70</p> <p>71</p> <p>72</p> <p>73</p> <p>74</p> <p>75</p> <p>76</p> <p>77</p> <p>78</p> <p>79</p> <p>80</p> <p>81</p> <p>82</p> <p>83</p> <p>84</p> <p>85</p> <p>86</p> <p>87</p> <p>88</p> <p>89</p> <p>90</p> <p>91</p> <p>92</p> <p>93</p> <p>94</p> <p>95</p> <p>96</p> <p>97</p> <p>98</p> <p>99</p> <p>100</p> | <p>McDonald</p> <p>State</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> 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<p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>29</p> <p>30</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>35</p> <p>36</p> <p>37</p> <p>38</p> <p>39</p> <p>40</p> <p>41</p> <p>42</p> <p>43</p> <p>44</p> <p>45</p> <p>46</p> <p>47</p> <p>48</p> <p>49</p> <p>50</p> <p>51</p> <p>52</p> <p>53</p> <p>54</p> <p>55</p> <p>56</p> <p>57</p> <p>58</p> <p>59</p> <p>60</p> <p>61</p> <p>62</p> <p>63</p> <p>64</p> <p>65</p> <p>66</p> <p>67</p> <p>68</p> <p>69</p> <p>70</p> <p>71</p> <p>72</p> <p>73</p> <p>74</p> <p>75</p> <p>76</p> <p>77</p> <p>78</p> <p>79</p> <p>80</p> <p>81</p> <p>82</p> <p>83</p> <p>84</p> <p>85</p> <p>86</p> <p>87</p> <p>88</p> <p>89</p> <p>90</p> <p>91</p> <p>92</p> <p>93</p> <p>94</p> <p>95</p> <p>96</p> <p>97</p> <p>98</p> <p>99</p> <p>100</p> | <p>McDonald</p> <p>State</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>2</p> |
|---|---|--|--|--|--|