

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 A NON-  
STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

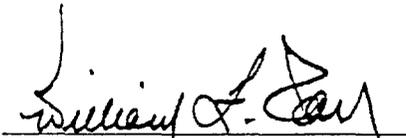
CASE NO. 10181

AFFIDAVIT

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

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<del>TAHOE</del>	EXHIBIT NO. <u>5</u>
CASE NO.	<u>10181</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 17<sup>th</sup> day of December, 1990.

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

My Commission Expires:

August 19, 1991

EXHIBIT A

ARCO Oil & Gas Company  
Box 1610  
Midland, Texas 79702  
Attn: Land Department

R. L. Parker, Trust  
Mr. H. E. Cobb  
Parker Bldg., Third & Main  
Tulsa, Oklahoma 74103

Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702  
Attn: Land Department

Richmond Drilling  
Box 150  
NCNB Bank Bldg., Suite 805  
Midland, Texas 79702

Texaco, Inc.  
2100 Texas Crude Bldg.  
801 Travis  
Houston, Texas 77002

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

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

November 28, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

ARCO Oil & Gas Company  
Box 1610  
Midland, Texas 79702  
Attn: Land Department

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea County, New Mexico

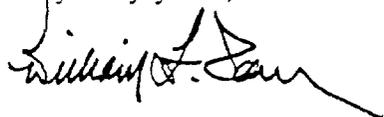
Gentlemen:

This letter is to advise you that Tahoe Energy, Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of a non-standard proration unit consisting of the E/2 E/2 of Section 3, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Tahoe Energy, Inc. proposes to dedicate the non-standard proration unit to its White Cloud Well No. 1 located at an orthodox location on this spacing unit to be drilled to a depth sufficient to test the Jalmat Gas Pool.

This application has been set for hearing before a Division Examiner on December 19, 1990. You are not required to attend this hearing, but as an owner of an interest that may be affected by this non-standard proration unit, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR TAHOE ENERGY, INC.  
WFC:mlh

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

3. Article Addressed to:  
 ARCO Oil & Gas Company  
 Box 1610  
 Midland, Texas 79702  
 Attn: Land Department

4. Article Number  
 P-106 678 288

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

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
 X

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery  
 NOV 30 1990

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

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

P-106 678 288  
 RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

ARCO Oil & Gas Company  
 Box 1610  
 Midland, Texas 79702  
 Attn: Land Department

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	\$ 31.85
Postmark or Date	NOV 28 1990

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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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
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November 28, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

R. L. Parker, Trust  
Mr. H. E. Cobb  
Parker Bldg., Third & Main  
Tulsa, Oklahoma 74103

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea  
County, New Mexico

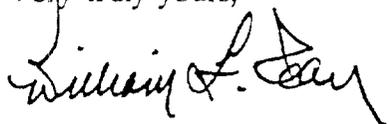
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WFC:mlh

P-106 678 289

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

R. L. Parker, Trust  
Mr. H. E. Cobb  
Parker Bldg., Third & Main  
Tulsa, Oklahoma 74103

PS Form 3800, June 1985

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	\$ 2.00
Postmark or Date	NOV 28 1990

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-985 DOMESTIC RETURN RECEIPT

**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.

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Mr. H. E. Cobb  
Parker Bldg., Third & Main  
Tulsa, Oklahoma 74103

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P-106 678 289

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

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
X

6. Signature - Agent  
X  
R. L. Parker

7. Date of Delivery  
12-4-90

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

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

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SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-8043

November 28, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702  
Attn: Land Department

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea  
County, New Mexico

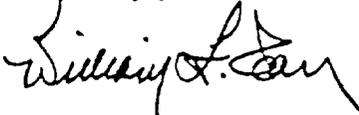
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Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702  
Attn: Land Department

4. Article Number  
P-106 678 290

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

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
X

6. Signature - Agent  
X *[Signature]*

7. Date of Delivery  
NOV 30 1990

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

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-866 DOMESTIC RETURN RECEIPT

P-106 678 290

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

Chevron U.S.A., Inc.  
Post Office Box 1150  
Midland, Texas 79702  
Attn: Land Department

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	\$ 2.20
Postmark or Date	NOV 28 1990

PS Form 3800, June 1985

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 963-6043

November 28, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Richmond Drilling  
Box 150  
NCNB Bank Bldg., Suite 805  
Midland, Texas 79702

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea County, New Mexico

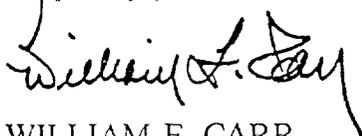
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P-106 678 291  
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 NOTICE: INTERNATIONAL MAIL  
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 Midland, Texas 79702

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
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PS Form 3800, June 1985

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 Midland, Texas 79702

4. Article Number  
 P-106 678 291

5. Signature — Address  
 X

6. Signature — Agent  
 X *[Signature]*

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

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

CAMPBELL & BLACK, P.A.  
LAWYERS

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BRUCE D. BLACK  
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JEFFERSON PLACE  
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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6C43

November 28, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Texaco, Inc.  
2100 Texas Crude Bldg.  
801 Travis  
Houston, Texas 77002

Re: Application of Tahoe Energy, Inc. for a Non-Standard Proration Unit, Lea County, New Mexico

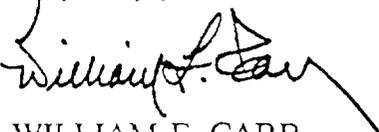
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WILLIAM F. CARR  
ATTORNEY FOR TAHOE ENERGY, INC.  
WFC:mlh

P-106 678 292

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Texaco, Inc.  
2100 Texas Crude Bldg.  
801 Travis  
Houston, Texas 77002

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	\$ 2.00
Postmark or Date	
NOV 28 1990	

PS Form 3800, June 1985

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

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

*CASE NO. 10181  
ORDER NO. R-9411*

APPLICATION OF TAHOE ENERGY, INC. FOR A  
NON-STANDARD GAS PRORATION UNIT, LEA  
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 19, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23<sup>rd</sup> day of January, 1991 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Tahoe Energy, Inc., seeks approval of a 160.19-acre non-standard gas proration unit comprising Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, said unit to be dedicated to its White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3.

(3) By Division Order No. R-9102, dated January 17, 1990, the following three non-standard Jalmat Gas spacing and proration units were formed in said Section 3:

1. 160.23 acres, comprising Lot 2, SW/4 NE/4, and W/2 SE/4;

2. 160.25 acres comprising Lot 3, SE/4 NW/4, and E/2 SW/4; and,
3. 160.29 acres comprising Lot 4, SW/4 NW/4, and W/2 SW/4.

(4) The remaining acreage forming the proposed non-standard unit is presently undeveloped in the Jalmat Gas Pool and is not currently dedicated to any well.

(5) The entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(6) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

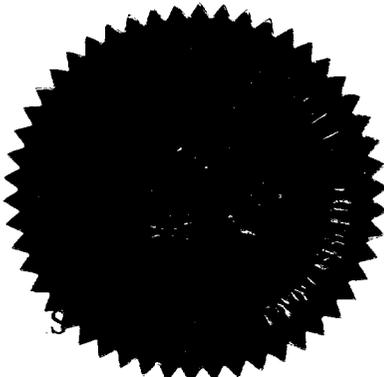
IT IS THEREFORE ORDERED THAT:

(1) The application of Tahoe Energy, Inc. for a 160.19-acre non-standard gas proration unit in the Jalmat Gas Pool comprising Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established.

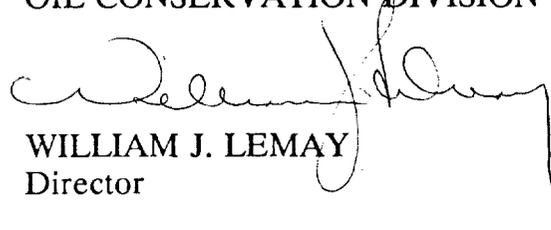
(2) Said unit is to be dedicated to the White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director