



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

September 4, 2002

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

Telefax No. (915) 682-7616

Administrative Order NSL-4773 (SD)

Dear Mr. Hartman:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 15, 2002 (*application reference No. pKRV0-223138260*); and (ii) the records of the Division in Santa Fe, including the files on Division Case No. 5935 (which resulted in the issuance of Division Order No. R-5448) and Division Administrative Orders NSP-11 and SD-99-9: all concerning Doyle Hartman's request for five additional wells within an existing 320-acre non-standard gas spacing unit comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool (76480), Lea County, New Mexico.

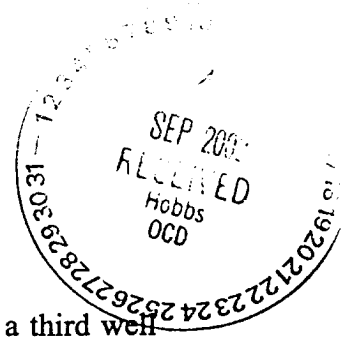
THE DIVISION DIRECTOR FINDS THAT:

(1) This 320-acre non-standard gas spacing unit was initially established by Division Order No. R-5448, issued in Case No. 5935 on June 8, 1977 and had dedicated thereon the following two wells:

(A) the original H. M. Britt Well No. 3 (API No. 30-025-05991) located at an unorthodox gas well location 2310 feet from the North line and 1650 feet from the East line (Unit G) of Section 7 (which unorthodox gas well location was also approved by Division Order No. R-5448); and

(B) the Britt Well No. 12 (API No. 30-025-05999) located at an unorthodox infill gas well location 330 feet from the North line and 2281 feet from the West line (Unit C) of Section 7 (which unorthodox well location was also approved by Division Order No. R-5448).

(2) By Division Administrative Order SD-99-9, dated August 23, 1999, a third well for this 320-acre unit, the H. M. Britt Well No. 1 (API No. 30-025-05972), located at a standard



infill gas well location 1980 feet from the North and West lines (Unit F) of Section 7 was approved.

(3) The subject application has been duly filed under the provisions of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

(4) All five of the proposed wells that are the subject of this application are currently completed in the Eumont Gas Pool; only one however is currently producing.

(5) Four of the five wells that are the subject of this application were initially drilled and completed in deeper oil bearing intervals (four within the Eunice Monument-Grayburg-San Andres Pool and one in the Monument-Blinbry Pool). Only one well was drilled and completed as an infill Eumont gas well (completion date report, October 16, 2000).

(6) Two of the five infill gas well locations that are the subject of this application are considered to be unorthodox and three are standard [see Rule 3 (A) (2) of the special Eumont Gas Pool rules].

(7) Two of the five wells that are the subject of this application are located within quarter-quarter sections that already have a producing Eumont gas well. This will be a violation of Rule 3 (D) of the Eumont special pool rules.

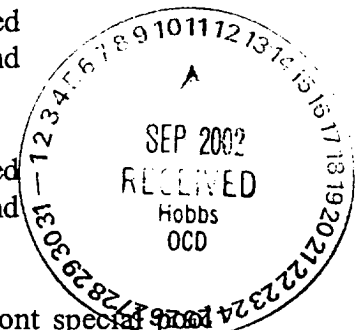
IT IS THEREFORE ORDERED THAT:

(1) Under the provisions of Rules 4 (B) and (D) of the special rules now governing the Eumont Gas Pool (76480), Doyle Hartman, Oil Operator is authorized to simultaneously dedicate gas production from the Eumont Gas Pool to its previously approved (see Division Order No. R-5448, issued in Case No. 5935 on June 8, 1977) 320-acre non-standard gas spacing unit comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, the two following-described wells:

(A) the H. M. Britt Well No. 4 (API No. 30-025-05992) located at a standard infill gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 7; and

(B) the H. M. Britt Well No. 5 (API No. 30-025-05993) located at a standard infill gas well location 1980 feet from the South and West lines (Unit K) of Section 7.

(2) Under the provisions of Rules 4 (A), (B), and (D) of the Eumont special pool rules, Doyle Hartman's Britt Well No. 14 (API No. 30-025-35152), which well was drilled and



completed in September/October, 2000 at an unorthodox infill gas well location within the subject 320-acre unit 1400 feet from the South line and 2310 feet from the East line (Unit J) of Section 7 is hereby approved.

PLEASE NOTE HOWEVER THAT Doyle Hartman, as a prudent operator, should recognize that a well location is unorthodox prior to its drilling and not wait a period of eight months after producing from the affected interval to seek the necessary regulatory exceptions. If, any future application by Doyle Hartman for an unorthodox location is not filed in a more timely fashion, all such subsequent applications may be subject to the Division's hearing process until further notice.

IT IS FURTHER ORDERED HOWEVER THAT:

(3) Doyle Hartman's request to simultaneously dedicate to this 320-acre non-standard gas spacing unit the following two wells is hereby **denied**:

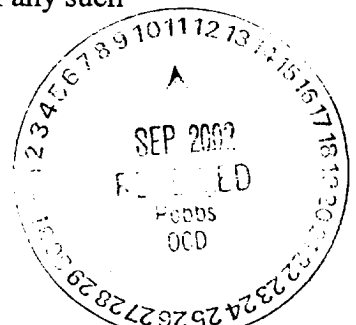
(A) H. M. Britt Well No. 2 (API No. 30-025-05990), located at a standard infill gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 7, which well is located within the same quarter-quarter section [NE/4 NW/4 (Unit C) of Section 7] as the above-described Britt Well No. 12; and

(B) the H. M. Britt Well No. 11 (API No. 30-025-05998), located at an unorthodox infill gas well location 1650 feet from the North and West lines (Unit G) of Section 7, which well is located within the same quarter-quarter section [SW/4 NE/4 (Unit G) of Section 7] as the above-described H. M. Britt Well No. 3.

(4) Doyle Hartman is authorized to simultaneously dedicate Eumont gas production from its H. M. Britt Wells No. 1, 3, 4, and 5 and Britt Wells No. 12 and 14.

(5) All provisions applicable to the subject 320-acre non-standard gas spacing unit in Division Order No. R-5448 and Division Administrative Order SD-99-9, not in conflict with this order, shall remain in full force and affect until further notice.

(6) Jurisdiction of this matter shall be further retained for the entry of any such



Administrative Order NSL-4773(SD)

Doyle Hartman, Oil Operator

September 4, 2002

Page 4

subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
U. S. Bureau of Land Management - Carlsbad
File: NSP-11
SD-99-9

