



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

GARREY CARRUTHERS  
GOVERNOR

January 25, 1990

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Hal J. Rasmussen Operating, Inc.  
Six Desta Drive  
Suite 5850  
Midland, TX 79705

Attention: Jay Cherski

*RE: 640-acre non-standard gas spacing and proration unit, Jalmat Gas Pool, Lea County, New Mexico, comprising the N/2 and SW/4 of Section 13, and the NE/4 of Section 14, Township 23 South, Range 36 East, approved by Division Order No. R-9073, paragraph 13 on Exhibit A.*

Dear Mr. Cherski:

We are in receipt of a letter from Conoco, Inc., dated January 16, 1990, objecting to your application for an unorthodox Jalmat Gas well location for your State "A" a/c-1 Well No. 66 which is to be included in the aforementioned 640-acre proration unit. A similar application for the [REDACTED] well was submitted at the same time as the [REDACTED] application. Upon reviewing further matters pertaining to the 640-acre unit, I found that the provisions of Division Order NSL-2728, which authorized the non-standard gas well location for the State "A" a/c-1 Well No. 71, requiring the amendment of this administrative order to reflect the proper non-standard gas proration unit has not been met.

It is obvious that matters within the subject unit area have become somewhat involved and complicated and that notice to the offsetting operators for the No. 66 application was confusing.

The only recourse for the Division at this time is to set all matters pertaining to the subject non-standard proration unit to hearing before a Division Examiner. The call of this case will be as follows:

"Application of Hal J. Rasmussen Operating Inc. for two unorthodox gas well locations, simultaneous dedication, and to amend, in part, Division Order No. R-9073 and Administrative Order NSL-2728, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following two unorthodox gas well locations to be included within the previously approved

Hal J. Rasmussen Operating, Inc.  
January 25, 1990  
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640-acre non-standard Jalmat gas spacing and proration unit (Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and SW/4 of Section 13 and NE/4 of Section 14, Township 23 South, Range 36 East:

State "A" a/c-1 Well No. 66  
660' FN & WL (Unit D); and

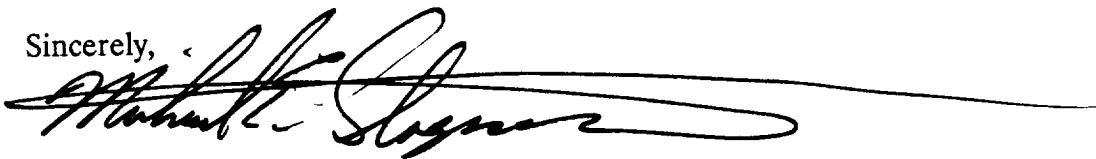
State "A" a/c-1 Well No. 75  
1980' FN & WL (Unit F),

both located in said Section 13.

Applicant also seeks to amend Division Administrative Order NSL-2728, dated December 7, 1989 to reflect the proper dedicated acreage for the State "A" a/c-1 Well No. 71, located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" a/c-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, N, D, M, and F, respectively, in said Section 13 and to the State "A" a/c-1 Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14."

The above-described matter will be set for the next available hearing scheduled for February 21, 1990. Please submit proper notice as required by General Rule 1207(a)2.

If you should have any questions concerning this matter, you may contact me at (505) 827-5811.

Sincerely, 

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Conoco, Inc. - Hugh Ingram  
Oil Conservation Division - Hobbs

Hobbs Division  
Exploration and Production, North America

Conoco Inc.  
726 East Michigan  
P.O. Box 460  
Hobbs, NM 88241  
(505) 397-5800

CIL CONSERVATION DIVISION  
RECEIVED

'90 JAN 19 AM 9 28

January 16, 1990

Mr. Jay Cherski  
Hal J. Rasmussen Operating, Inc.  
Six Desta Drive, Suite 5850  
Midland, Texas 79705

Dear Mr. Cherski:

In regard to your waiver letters addressed to Conoco dated December 20, 1989 and pertaining to the recompletion of certain wells to the Jalmat, we have approved all waivers except one. Please be advised however, that Conoco does not offset every one of the wells listed for recompletion.

The one waiver which we have withheld approval is for your State "A" a/c Well No. 66. The reason for this is that the completion of Well Nos. 66 and 75, in addition to the already completed Well No. 20 makes three Jalmat completions in the NW/4 of Section 13, and there is no mention of the size proration unit that you propose to assign to these wells. If, for example, you intend to assign 320 or even 480 acres to these three wells, any one of which would be allowed to produce that much allowable under simultaneous dedication, then Well No. 66 could drain Conoco's acreage in the S/2 SW/4 of Section 12. On the other hand, if you only dedicate the NW/4 to these wells, then Conoco would not have any concern for completing Well No. 66 in the Jalmat Pool.

Yours very truly,

  
Hugh Ingram  
Conservation Coordinator

/tm  
4.



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(505) 827-5800

December 7, 1989

Hal J. Rasmussen Operating, Inc.  
Six Desta Drive  
Suite 5850  
Midland, TX 79705

Attention: Jay Cherski

*Administrative Order NSL-2728*

Dear Mr Cherski:

Reference is made to your application of November 7, 1989 for an unorthodox Jalmat gas well location in an existing non-standard 480-acre gas spacing and proration unit (GPU) for said Jalmat Gas Pool comprising the N/2 and SW/4 of Section 13, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order R-4116, dated March 10, 1971, which also permitted the simultaneous dedication of the said GPU to the State "A" A/C-1 Well Nos. 20, 21 and 22, located, respectively in Units C, H and N of said Section 13.

It is our understanding that the subject well in this application is currently temporarily abandoned in the Langlie-Mattix Pool and will be plugged back to the Jalmat Gas Pool upon issuance of this order.

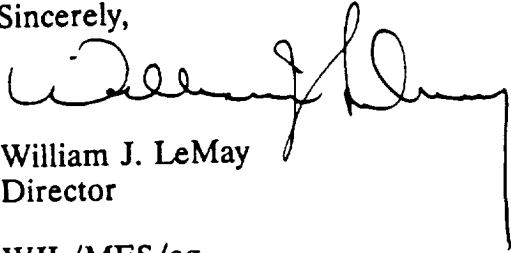
By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Jalmat Gas Pool, as promulgated by Division Order No. R-8170, as amended, the following described well located at an unorthodox gas well location is hereby approved:

State "A" A/C-1 Well No. 71  
660' FS & WL (Unit M) of said  
Section 13.

Also, you are hereby authorized to simultaneously dedicate Jalmat Gas production from the State "A" A/C-1 Well No. 71 with the State "A" A/C-1 Well Nos. 20, 21 and 22; furthermore, you are hereby permitted to produce the allowable assigned the GPU from all of the said wells in any proportion.

Said Section 13 was the subject, in part, of Division Case No. 9775, whereby the applicant is seeking the rededication of acreage in the Jalmat Gas Pool. If, subsequent to an order issued in said Case No. 9775, the subject well in this administrative order is affected and placed in a redesignated Jalmat spacing unit, and such redesignation results in an unorthodox well location for the No. 71 well, the operator shall seek an amendment to this administrative order to properly reflect such changes. Said amendment shall be filed within 90 days from the date of issuance of an order in said Case No. 9775 and pursuant to Rule 2(c) of said Order No. R-8170, as amended.

Sincerely,



William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM Oil and Gas Engineering Committee - Hobbs  
NM State Land Office - Santa Fe  
File: Case No. 9775



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NSL-2728

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December 8, 1989

Hal J. Rasmussen Operating, Inc.  
Six Desta Drive  
Suite 5850  
Midland, TX 79705

Attention: William Scott Ramsey

RE: *Simultaneous Dedication - Jalmat  
Pool, Lea County, New Mexico, State  
"A" A/C-1 Well Nos. 49, 71, 82, 88  
and 89, Division Administrative Order  
Nos. 2727 through 2731.*

Dear Mr. Ramsey:

The provisions for amending the present administrative orders issued for the subject wells require that all procedures in the Jalmat Gas Pool Rules for unorthodox gas well locations be followed. Please submit proof of notification to all offset operators of each of the subject amendments.

Sincerely,

Michael E. Stogner  
Petroleum Engineer

cc: Oil Conservation Division - Hobbs  
Files: NSL-2727 through 2731