DOYLE HARTMAN

Oil Operator

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July 25, 1989

State of New Mexico Energy and Minerals Department Oil Conservation Division District I Office Post Office Box 1980 Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Re: Proposed Dabbs No. 3 W/2 Section 34 T-25-S, R-37-E Lea County, New Mexico OCD Order No. R-8133

Gentlemen:

Please find enclosed Doyle Hartman's Application for Permit to Drill (C-101) covering the Dabbs No. 3 as an infill Jalmat (Gas) well at a location consisting of 990 FSL & 660 FWL (M) Section 34, T-25-S, R-37-E, with the proration unit consisting of the W/2 Section 34. We are also enclosing the previously approved C-102 corresponding to the proposed Dabbs No 3 well.

In anticipation of drilling the Dabbs No. 3, and after proper notice to all offsetting Jalmat Gas operators and other interested parties, a hearing was held before the Oil Conservation Division in Santa Fe on January 9, 1986 for the purpose of considering Case No. 8803, the application of Doyle Hartman for a 320-acre non-standard gas proration unit and unorthodox gas well location for the Dabbs No. 3. Hartman was subsequently granted by Division Order No. R-8133 (copy attached) a 320acre Jalmat Gas Pool non-standard gas proration unit comprising the W/2 of Section 34, Township 25 South, Rang 37 East, NMPM, Lea County, New Mexico with the subject unit to be dedicated to a gas well to be drilled at an unorthodox location, 990 feet from the South line and 660 feet from the West line of said Section 34

Furthermore, the original C-101 and C-102 dated January 13, 1986 covering the Dabbs No. 3 were initially approved (for a period of six [6] months) by the OCD's District I office on January 21, 1986. The location and proration unit requested at that time are identical to the location and proration unit for which an application is currently being requested. In anticipation of drilling the Dabbs No. 3, a drilling pad was constructed at 990 FSL & 660 FWL Section 34, and a power