OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

September 9, 1997

F & M Oil and Gas Company P.O. Box 891 Midland, Texas 79702-0891

Attn: Ms. Leah D. Spears

Re: Request for Extension of Implementation Period for Division Order WFX-689.

Dear Ms. Spears,

My staff has reviewed your request to extend the implementation period on the above referenced Division Order. Providing that all conditions contained in the order remain the same and there are no wells drilled in the area of review, the expiration date of WFX-689 is hereby extended to April 15, 1998.

In the event any drilling activity occurs in the subject area of review, F & M Oil and Gas Company will notify the Supervisor of the Hobbs District office and the Division office. An administrative review of the permit will be conducted, and the status of the permit will be determined.

All other provisions and conditions of WFX-689 and Division Rules 706 and 1120 shall remain in full force and effect.

Sincerely,

William J. LeMay

Director

WJL/BES

cc: Oil Conservation Division - Hobbs

WFX-689 /

F & M OIL AND GAS COMPANY

P. O. BOX 891 MIDLAND, TEXAS 79702-0891 (915) 682-7714 FAX 682-7700

July 24, 1997

New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division 2040 S. Pacheco Street Santa Fe, New Mexico 87505

Attn: Mr. Ben Stone

Re: Administrative Order No. WFX-689

Tonto Well No. 7

Lea County, New Mexico

Dear Mr. Stone:

By this letter, we hereby request an extension on the above referenced order for permission to expand our Tonto Waterflood Project in the South Tonto Yates-Seven Rivers Pool in Lea County, New Mexico. The current expiration date of this order will expire on August 6, 1997.

As per our discussion today by phone, we have been concentrating our attention on some new production that has limited the time of the only engineer we have on staff. It is our intention to increase our staff with the addition of another engineer to better cover the properties we operate and therefore proceed with this project.

We will be following this letter with the C-108 for our Tonto #12 well in the hopes to accomplish the conversation of both the #7 and the #12 with the same company and crew.

As this deadline is fast approaching, please let me know if you have any questions. We will be glad to comply with any measures you deem necessary.

Sincerely,

Leah D. Spears Office Manager

Certified Mail
Receipt # P 329 341 934