

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area
of Natural Resources - oil and gas
law - New Mexico Board of Legal
Specialization

mfeldewert@hollandhart.com

February 8, 2005

HAND DELIVERY

Mark E. Fesmire, P. E.
Director, Oil Conservation Division
New Mexico Energy, Minerals &
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13433

2005 FEB 8 PM 2 41

**Re: Application of MYCO Industries, Inc. for an exception to
Division Rule 104.C(2)(c), Eddy County, New Mexico.**

Dear Mr. Fesmire:

Enclosed is the Application of MYCO Industries, Inc. in the above-referenced case as well as a copy of the legal advertisement. MYCO requests that this matter be placed on the March 3, 2005, Examiner Hearing docket.

Very truly yours,

Michael H. Feldewert

Enclosures

cc: MYCO Industries, Inc.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

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

**APPLICATION OF MYCO INDUSTRIES, INC.
FOR AN EXCEPTION TO DIVISION RULE 104.C(2)(c),
EDDY COUNTY, NEW MEXICO.**

CASE NO. **13733**

APPLICATION

Myco Industries, Inc. ("Myco"), through its undersigned attorneys, hereby makes application for an order granting an exception to Division Rule 104.C(2)(c) to allow two operators in all formations developed on 320-acres within the N/2 of Section 35, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico and in support of its application states:

1. Myco is a working interest owner in the N/2 of Section 35 and has drilled its Boise Federal Well No. 1 (API No. 30-015-31648) at a legal location in Unit H of Section 35 at a depth sufficient to test the Carlsbad Morrow East Gas Pool.

2. Delta Petroleum Corporation is the Division-designated operator in the N/2 of Section 35 and presently operates the Delta's Reeves Federal Well No. 2 (API No. 30-015-22330) located in Unit C at a point 660 feet from the North line and 1980 feet from the West line of Section 35. This well is currently completed in and producing from the Carlsbad Morrow East Gas Pool.

3. Division Rule 104.C(2)(c) requires the operator of any infill well on a 320-acre unit to be the same as the operator of the initial well. Myco desires to operate its Boise Federal Well No. 1 and therefore seeks an exception to this rule.

4. Delta Petroleum Corporation, the Division-designated operator in the N/2 of Section 35, has been contacted and does not oppose this application.


5. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

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WHEREFORE, Myco requests that this application be set for hearing before a Division Examiner on March 3, 2005, and that after notice and hearing as required by law and the Rules and Regulations of the Oil Conservation Division, the Division enter its order granting this application.

Respectfully submitted,

HOLLAND & HART, LLP

By: 
Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
Telephone: (505) 988-4421

Attorneys for MYCO Industries, Inc.

CASE 13433:

Application of Myco Industries, Inc. for an Exception to Division Rule 104.C(2)(c), Eddy County, New Mexico. Applicant in the above-styled cause seeks an order granting an exception to Division Rule 104.C(2)(c) to allow two operators in all formations developed on 320-acre spacing in the N/2 of Section 35, Township 21 South, Range 27 East, NMPM. Applicant proposes to operate and produce its Boise Federal Well No. 1 from the Carlsbad Morrow East Gas Pool and any other pool in the N/2 of Section 35 developed on 320-acre spacing. The Division-designated operator for this spacing unit is presently Delta Petroleum Corporation. This spacing unit is located approximately 3 miles east of Carlsbad, New Mexico.