



TOM BROWN, INC.

Land Department
Southern Region

October 31, 2003

RECEIVED

VIA FACSIMILE (505) 476-3462

NOV 03 2003

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

OIL CONSERVATION
DIVISION

Re: Case #13180 – Docket : Examiner Hearing November 7, 2003
Application of Kaiser-Francis Oil Company for pool creation
and special pool rules for Paddock formation
Kaiser-Francis - Cooper "3" Well No. 7
Unit C-Section 3-T20S-R37E-Lea County, New Mexico

Ladies and Gentlemen:

Tom Brown, Inc. ("Tom Brown") is in receipt of a Notice of Hearing regarding the above referenced application for pool creation and special pool rules based upon the Cooper "3" Well No. 7. The hearing is scheduled for November 7, 2003. Tom Brown reserves its right to appear in this case or oppose the application unless a provision is added for an optional well on each 80 acre proration unit in the proposed Paddock pool. In the event Kaiser-Francis agrees to include the optional well language in the application, Tom Brown will not oppose the application. Should you have any questions or wish to discuss this matter, you can reach me at (432) 688-9419, on my cell phone at (432) 638-6810, or by fax at (432) 687-1901.

WNT 11/3/03

Very truly yours,

TOM BROWN, INC.

Willis D. Price III
Senior Landman

xc: Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504
Attention: Mr. W. Thomas Kellahin
Fax # (505) 982-2047

Kaiser-Francis Oil Company
6733 South Yale
Tulsa, OK 74136
Attention: Mr. Jim Wakefield
Fax # (918) 491-4387

LEWIS B. BURLESON, INC.
OIL & GAS PROPERTIES

LEWIS B. BURLESON
PRESIDENT
STEVEN L. BURLESON
VICE-PRESIDENT
WAYNE JARVIS
SUPERINTENDENT

October 27, 2003

RECEIVED

OCT 29 2003

OIL CONSERVATION
DIVISION

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Attention: Lorie Wrotenberry
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Case 13180

Dear Ms. Wrotenberry:

As an offset owner to the Kaiser-Francis Oil Company application for special rules and a Paddock Pool designation in Lea County, New Mexico, I object to their application.

They request 80 acre spacing for a 5,000' well and this is ridiculous since 40 acre spacing is a norm for anything above 15,000'. The Commission should be careful because the difference between a Glorietta and a Paddock Pool is a matter of a few feet.

Your good judgement will prevail and you should turn down this application.

Yours truly,



Lewis B. Burleson

LBB/skb

Faint, illegible text, possibly a carbon copy or bleed-through from the reverse side of the page.

F:\WP51\DOC\kaiserfrancisapplic.doc

LWV 10/29/03

Jones, William V

From: Kautz, Paul
Sent: Thursday, October 23, 2003 2:06 PM
To: MacQuesten, Gail; Jones, William V; Davidson, Florene
Cc: Williams, Chris
Subject: to be placed in the case file for Case 13180

Case 13180

Please place this E-mail in the case file for Case 13180 regarding the application of Kaiser-Francis Oil Company for pool creation and special pool rules, Lea County, New Mexico.

I have had several phone conversations and office visits concerning the above case. The first was a meeting on October 22, 2003 with Michael Pearce, a consultant for Me-Tex Oil & Gas Inc. Mr. Pearce asked if I knew anything about Kaiser-Francis application for a new pool for its Cooper 3 # 7 well located in Unit C Sec 3, T20S, R37E. I informed Mr. Pearce that I was aware of their intent to file an application for discovery allowable and special pool rules for a new pool for the Paddock formation. Mr. Pearce proceeded to show me several logs from the area and asked me to pick the top of the Paddock. One of the wells was the Kaiser-Francis, Cooper # 7 and Matadors Operating Co, Williams 34 well # 3. Based on the my picks, both of these wells are producing from the Glorieta formation. Matador's well is less than a mile from Kaiser-Francis well and appear to be producing from overlapping zones. In Hobbs District nomenclature Case # 13168 on October 9, 2003 Kaiser-Francis well was placed in the Monument;Paddock pool based on the information submitted by the previous operator of the Kaiser-Francis, Cooper # 7, Matador Operating Co. I informed Mr Pearce that if I would have known that this well was producing from the Glorieta formation, I would have placed it in the Skaggs;Glorieta, Northwest pool. Mr. Pearce also asked what kind of evidence needs to be presented at the hearing to counter Kaiser-Francis application. I suggested that he should have a cross-section and any data he might have on the reservoir.

Later, approximately 11:00 on the October 22, 2003, I received a phone call from the Geologist with Kaiser-Francis Oil Co., concerning its application. We discussed several items:

1) The need for Kaiser-Francis to amend its application for a new pool in order to reflect the correct producing formation (Glorieta).

2) What they should include in their exhibits. I suggested that they also include the discovery well for the Skaggs;Glorieta, Northwest pool and that he needs to show separation from this pool. The Geologist with Kaiser-Francis stated that he already included the log in his cross-sections.

3) Around 2:00 pm I received another phone call from the Geologist with Kaiser-Francis, we discussed the data he had and I told him that I had a conversation earlier with Mr. Pearce. The geologists with Kaiser-Francis said that he might contact Mr. Pearce.

If it is ruled in favor of Kaiser-Francis, it is suggested that the new pool be named the Skaggs;Glorieta, West pool and the following acreage be deleted from the Monument;Paddock pool: T20S, R37E Sec 3: NW/4 and Sec 4 N/2.

If it is denied, the Kaiser-Francis well should be placed in the Skaggs;Glorieta, Northwest pool and the following acreage be deleted from the Monument;Paddock pool: T20S, R37E Sec 3: NW/4 and Sec 4 N/2.

Paul F Kautz
Petroleum Engineering Specialist/Geologist
NM OCD District 1
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Address: 1625 N French Dr, Hobbs, NM 88240