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FACSIMILE COVER SHEET

DATE: December 21, 1994

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TIME: 1:15 PM (Santa Fe)

TO: Mr. E. Stogner

FROM: W. THOMAS KELLAHIN, Esq.

OF: Conservation Division

FAX IN: 827-8177

REF: Naumann Oil and Gas Inc.
NMOCD Case 11165**MESSAGE:**

Mike:

I presented the referenced case to you at the December 15th hearing. Naumann did not tell me this had been a directional well until the night before the hearing. I checked the well file but had not been able to find the direction drilling order. At the conclusion of the case, we had found those orders and I gave you copies. Those orders are R 6792 and R-6792-A. Since then I have read the two orders and reviewed the Wilson Directional Drilling Report.

This is what we have: Naumann expects to perforate the Devonian in this well between approximately 10,140 feet to 10,160 feet. Naumann has called Wilson who has reviewed the survey and advises at 10,167 feet TVD the subsurface location will be 1749.93 feet FNL and 8.88 feet FWL.

The original N/2 spacing unit is now to be turned to a W/2. That will make the re-entry standard from the west line but still nonorthodox from the north line. In addition, Order R-6792-A calls for additional notices.

It looks to me that I may have to provide supplemental notice and that we may have to readvertise this case for the January 19th docket. What do you think?

Regards,

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