



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 30, 1995

Collins & Ware, Inc.
c/o Campbell, Carr, Berge & Sheridan, P. A.
Attn: William F. Carr
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Case 11290

Re: Application for an unorthodox oil well location in the Denton-Devonian Pool, NW/4 4 (Unit B) of Section 35, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

Dear Mr. Carr:

Reference is made to your application on behalf of Collins & Ware, Inc. dated March 28, 1995 to drill the proposed T.D. Pope Well No. 32 as an "infill" well in the Denton-Devonian Pool at an unorthodox oil well location 102 feet from the North line and 1430 feet from the East line (Unit B) of said Section 35. Per our conversation concerning this matter last week it was agreed that this case could be managed such that all pertinent information could be submitted by the applicant and no testimony would be necessary provided each immediate off setting drilling tract is within the affected lease and ownership is common throughout.

In my preliminary review of this matter for ad preparation I found that the 40-acre tract in which the subject well is to be simultaneously dedicated is currently operated by Stephens & Johnson Operating Company of Wichita Fall, Texas. Furthermore, two other 40-acre tracts immediately off-setting this well to the east and northeast, being the SE/4 SE/4 (Unit P) of Section 26, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, and the NE/4 NE/4 (Unit A) of said Section 35, have producing Denton-Devonian oil wells that are currently operated by Stephens & Johnson. Our records indicate that the only tract within the N/2 of Section 35 and S/2 of Section 26 that belongs to Collins & Ware is the SW/4 SE/4 (Unit O) of said Section 26.

Since paragraph 5 of said application appears to be misleading I am returning same to you at this time. Should Collins & Ware wish to pursue this matter further a new application can be filed and testimony on the record will be required. Further a single operator for the 40 acres comprising the NW/4 NE/4 of said Section 35 will need to be named.

Collins & Ware, Inc.

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Should you have any further questions or comments concerning this matter, please contact me at (505) 827-8185. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a stylized, sweeping flourish at the end.

Michael E. Stogner

Chief Hearing Officer/Engineer

*cc: Oil Conservation Division - Artesia
William J. LeMay, Director - OCD, Santa Fe
Rand Carroll, Counsel - OCD, Santa Fe*