

OIL CONSERVATION DIVISION

August 25, 1995

D & J Oil Company
P. O. Box 10129
Enid, Oklahoma 73706

Attention: John E. Donaldson

*RE: Application for an Unorthodox Oil Well Location: Lowe "27"
Well No. 1 to be drilled 642'FSL & 2434'FEL (Unit O) of
Section 27, Township 12 South, Range 37 East, NMPM,
Southwest Gladiola-Devonian Pool, Lea County, New Mexico.*

Dear Mr. Donaldson:

Reference is made to your letter dated August 24, 1995 for the subject unorthodox oil well location. This matter has been set for the September 21, 1995 Examiner's Hearing as "**Reopened and Readvertised Case No. 11321**", and should it be necessary you can appear at the hearing and present testimony and evidence to support this application.

However, as we discussed **Division General Rule 104** will probably be amended by the end of September, 1995 to allow for administrative review of unorthodox oil well locations based on "geology". So that you can be one step ahead of the process I'm suggesting you go ahead and submit the necessary data to support this application. Attached is a copy of the proposed rule changes, see **104.F(3)** and **(4)**, highlighted in yellow for the necessary information.

Should you have any questions, please call me in Santa Fe at (505) 827-8185.

Sincerely,



Michael E. Stogner
Assistant Deputy Director/Engineer

cc: Oil Conservation Division - Hobbs
File: Case No. 11321