

JAMES A. DAVIDSON
Oil & Gas Properties
P. O. BOX 494
MIDLAND, TEXAS 79702

(915) 682-6482 - OFFICE
694-5472 - RESIDENCE

- 8 1996

Case No.
11476

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January 25, 2 1996

Honorable William J. LeMay
Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Texaco-Compulsory Pooling
Application
SW/4 Sec. 23, T-26-S, R-37-E,
Lea County, NM

Dear Mr. LeMay:

Reference is made to Texaco's above noted application covering the above described tract and to both Michael J. Condon's letter of January 23, 1996, to you and Doyle Hartman's letter of January 24, 1996, to you.

I am one of the owners of E/2 SW/4 Sec. 23, T-26-S, R-37-E, under Federal lease LC-0325210-B thus being an interested and affected party.

I respectfully request that a hearing date not be set at all pending clarification and consideration of the following:

1. The Texaco application is completely vague. It seems to want to be effective after the well is completed (i.e., asks for compulsory pooling as to three different size tracts).

It appears to me that the prior Texaco correspondence (reference par. 3 of Mr. Hartman's letter) indicates an intention to drill an oil well on a 40-acre tract and compulsory pooling is not needed in any case.

A new and precise application needs to be filed if, in fact, Texaco wants to proceed. This will allow the other affected parties an opportunity to study the matter more realistically.

2. Texaco has apparently caused this area to become extremely complex and difficult to drill in safely due to a long period of injecting water into the Yates formation which is the same zone it proposes to complete the subject well in (reference Mr. Condon's letter).

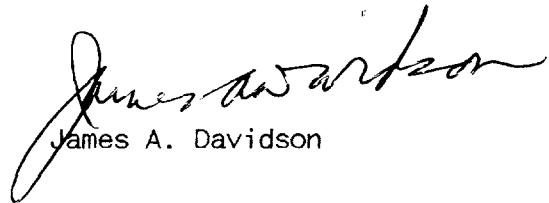
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This will require the affected parties to spend a great deal of time studying the situation in order to make an informed decision as to what to do.

3. In have not been furnished with a copy of the proposed Joint Operating Agreement which needs lengthy and detailed study by the affected parties.
4. Importantly - additional time could result in a mutually acceptable agreement between the parties so compulsory pooling would not be needed in any case.

Thank you for allowing me to present my views.

Very truly yours,



James A. Davidson

JAD:1er

cc: Mr. Doyle Hartman
3811 Turtle Creek Blvd., Suite 730
Dallas, TX 75219

Mr. Michael J. Condon - Gallegos Law Firm
460 St. Michael's Dr. - Bldg. 300
Santa Fe, NM 87505

Mr. R.W. Lanning-Texaco E & P
P.O. Box 3109
Midland, TX 79702

Mr. Wm. F. Carr-Attorney
P.O. Box 2208
Santa Fe, NM 87504-2208