



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

December 10, 1997

*Case 11898*

The Home-Stake Royalty Corporation  
15 East 5th Street - Suite 2800  
Tulsa, Oklahoma 74103

Attention: Howard E. Gray

**Re:** *Case 11898: Application of The Home-Stake Royalty Corporation for an exception to Division Rule 104.C(1) for a non-standard subsurface oil producing area or drilling window [as defined by Rule 111.A(7)] within a standard 40-acre oil spacing and proration unit comprising the SW/4 NE/4 of Section 5, Township 22 South, Range 37 East, in the Undesignated Brunson-Fusselman Pool that is to be no closer than 330 feet to the south, west, and north quarter-quarter section lines of the SW/4 NE/4 of said Section 5 nor closer than 100 feet to the east quarter-quarter section line of the SW/4 NE/4 of said Section 5. Said unit is to be dedicated to its existing Republic "5" Well No. 1 (API No. 30-025-34043), located at a surface location 1650 feet from the North and East lines (Unit G) of said Section 5, which is approximately 1.5 miles west southwest of Eunice, New Mexico.*

Dear Mr. Gray:

Per your letter dated November 24, 1997, Case No. 11898 will be dismissed at the time of the December 18, 1997 Division Examiner's Hearing.

Should there be anything further concerning this matter, please contact me in Santa Fe at (505) 827-8185 or through the e-mail at:

**"MIKSTOGNER@EMNRDSF.STATE.NM.US."**

Thank you.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs  
Texaco Exploration & Production, Inc. (Attn. William F. Carr) - Santa Fe



**The Home-Stake Royalty Corporation  
The Home-Stake Oil & Gas Company**

15 East 5th Street, Suite 2800  
Tulsa, Oklahoma 74103  
November 24, 1997

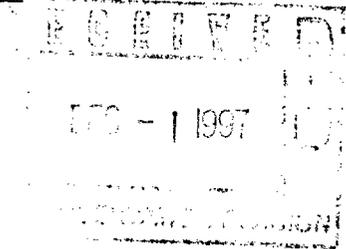
918-583-0178  
1-800-677-0178  
FAX 918-583-0237

Case 11898

**VIA FACSIMILE AND REGISTERED MAIL, RETURN RECEIPT REQUESTED**

New Mexico Department of Energy,  
Minerals & Natural Resources  
Oil & Gas Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Case dismissed



Attention: Mr. Michael E. Stogner

Re: Application for Unorthodox Location  
Republic No. 1-5  
SW/4 NE/4 sec. 5-T22S-R37E (Unit G)  
Lea County, New Mexico  
L1703010W

Gentlemen:

The Home-Stake Royalty Corporation hereby withdraws its application for an unorthodox location for the subject well. The well was drilled as a straight hole at a legal location (1,650' FNL & 1,650' FEL Sec. 5-T22S-R37E) to a total depth of 7,610' and failed to encounter prospective Fusselman at this location. The well was plugged back to a depth of 3,170' as specified by Oil & Gas Conservation Division personnel at Hobbs and operations were turned to Zia Energy, Inc. for completion as a shallow San Andres producing well.

Please advise in you need any additional information pertaining to this matter.

Very truly yours,

The Home-Stake Royalty Corporation  
The Home-Stake Oil & Gas Company

  
Howard E. Gray  
Vice-President of Operations

cc: Texaco Exploration & Producing, Inc., Midland, TX  
Texaco Exploration & Producing, Inc., (Attn. William F. Carr), Santa Fe, NM  
Arch Petroleum Inc., Midland, TX



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Santa Fe, New Mexico 87505  
(505) 827-7131

November 18, 1997

The Home-Stake Royalty Corporation  
15 East 5th Street  
Tulsa, Oklahoma 74103

Attention: Howard E. Gray  
Vice-President of Operations

*RE: Administrative application for a subsurface exception to Division Rule 104.C(1) within a standard 40-acre oil spacing and proration unit comprising the SW/4 NE/4 of Section 5, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in the Undesignated Brunson-Fusselman Pool for the existing Republic "5" Well No. 1 (API No. 30-025-34043), located at a surface location that is 1650 feet from the North and East lines (Unit G) of said Section 5.*

Dear Mr. Gray:

On November 12, 1997 the Division received an objection from Texaco Exploration & Production, Inc. to the subject application, see copy of letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for December 18, 1997. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's General Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
Texaco Exploration & Production, Inc. (Attn. William F. Carr) - Santa Fe  
William J. LeMay - OCD Director, Santa Fe  
Rand Carroll, General Counsel - OCD, Santa Fe  
Kathy Valdes - OCD, Santa Fe