

## **Catanach, David**

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**From:** Andy Grooms[SMTP:branex@RT66.com]  
**Sent:** Tuesday, March 24, 1998 3:39 PM  
**To:** dcatanach  
**Subject:** NMOCD Case # 11922, (Re-Entry of the Tilley #1 Well, located SW/4, Section 26, T16S-R35E, NMPM, Lea County, New Mexico

Dear Examiner Catanach:

I have read the final order pertaining to the subject case with great dismay. I am astounded that you feel that the appropriate penalty for the compulsory pooling portion of this case should not exceed cost plus 100 per cent! This project is an extremely risky well to attempt re-entry of not to speak of the fact that our case was non-contested! Maybe you have not read the newspapers lately, but the oil patch in the lower fortyeight states is about to undergo another 1986 style price depression/recession again! I will certainly admitt that the attorney who handled our case (Tom Kellahin) did not do an appropriate job as a lawyer, and he will never represent us again. He should have thoroughly advised us as to the legalities of the notice provisions (which we subsequently remedied by re-advertising the case). We agreed to not prusue wellbore value and yet you still cut us back to minor penalty of cost plus 100%! I simply am flabergasted by your decision in this non-constested case! The total amount of working interest being pooled was less than 2.5% and we made every effort to find the appropriate parities being pooled and those that were found were uncooperative.

I do not think that we will now pursue this re-entry on principal alone. I am not willing to spend yet more money to have some idiot lawyer reopen and appeal a small case that he should have properly handled in the first place. I is high time that Operators stood up and demanded some respect and equality from the State of New Mexico. We pay most of this State's bills and yet it is my opinion that we are treated totaly like dirt! I do not feel that we were treated fairly and seriously doubt that we will now attempt the re-entry of this well based on the decision rendered. I hope that in the futrue you will carefully consider the gravity of a decision as it might affect a small operator like ourselves. We have paid lots of taxes and we have put many people to work but I think that this is going to be one less well that we will re-enter this year. There is no question in my mind that we were taken advantage of in this situation however, in time if enough Operators will quit drilling wells, the effect will show up in reduced revenues to the State of New Mexico.

Yours Truly

Primero Operating, Inc.

F. Andrew Grooms  
Vice-President/Land

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