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LAWYERS

OF COUNSEL

April 21, 1998

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HAND-DELIVERED

Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87503

Re: Application of Saba Energy of Texas, Incorporated for Special Pool Rules, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Saba Energy of Texas, Incorporated in the above-referenced case as well as a copy of the legal advertisement. Saba Energy of Texas, Incorporated requests that this matter be placed on the docket for the May 14, 1998 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

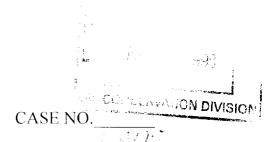
WFC:mlh Enclosures

cc: Mr. Wade Brawley

Saba Energy of Texas, Incorporated

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF SABA ENERGY OF TEXAS, INCORPORATED FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.



APPLICATION

SABA ENERGY OF TEXAS, INCORPORATED ("Saba"), by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order promulgating special pool rules and regulations for the Tatum-Wolfcamp Pool, including provisions for 80-acre oil spacing and proration units and special well location requirements, and in support of this application states:

1. The Tatum-Wolfcamp Pool was established by Division Order No. R-1118, dated January 28, 1958, and has been extended from time to time to include the following acreage in Lea County, New Mexico:

Township 12 South, Range 36 East, NMPM

Section 32: SW/4

Township 13 South, Range 36 East, NMPM

Section 5: N/2 Section 6: E/2 Section 7: NE/4

2. Saba is the operator of the Harton State Well No. 1 which is located in the SE/4 NE/4 of said Section 7 at a standard oil well location 2310 feet from the North line and 990 feet from the East line and the Saba State Well No. 1 which is located in the NE/4 SE/4 of

Section 7 at a previously approved unorthodox oil well location 3210 feet from the South line

and 1308 feet from the East line (Division Order No. NSL 3744 dated December 18, 1996).

3. Both of these wells are capable of draining in excess of the 40-acre spacing and

proration unit dedicated thereto.

4. Saba seeks the adoption of Special Pool Rules and Regulations for the Tatum-

Wolfcamp Pool to provide for 80-acre oil well spacing and proration units with wells to be

located no closer than 330 feet to the boundary of a governmental quarter section.

5. Approval of this application will prevent the drilling of unnecessary wells and

will otherwise be in the best interest of conservation and the protection of correlative rights.

WHEREFORE. Saba Energy of Texas, Incorporated requests that this application be

set for hearing before an Examiner of the Oil Conservation Division on May 14, 1998, that

notice be given as required by law and the rules of the Division, and that the application be

approved.

Respectfully submitted.

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

By:

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR SABA ENERGY OF

TEXAS, INCORPORATED

(CK)

CASE 11975:

Application of Saba Energy of Texas, Incorporated for Special Pool Rules, Lea County, New Mexico. Applicant, in the above-styled cause seeks the promulgation of Special Pool Rules for the Tatum-Wolfcamp Pool located in portions of Section 32, Township 12 South, Range 36 East and Sections 5, 6 and 7 of Township 13 South, Range 36 East, including provisions for 80-acre spacing and special well location requirements. Said area is located approximately Limites South of Tokhum., New Mexico.

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HANTON DIVISION