



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
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**State of New Mexico
Commissioner of Public Lands**

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August 25, 1998

PUBLIC AFFAIRS
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(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Michael Stogner

Re: Proposed Examiner Hearing: Case No. 12017
Gruy Petroleum Management
Unorthodox location for:
Rhodes State Com Well No. 5
Unit C, Section 16, Township 26 South, Range 37 East
Eddy County, New Mexico

Dear Mr. Stogner:

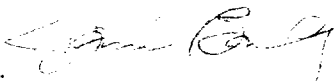
The Commissioner of Public Lands has notified Gruy Petroleum that Section 16, of the above mentioned township and range, is subject to the requirement that four (4) separate state land communitization agreements be filed and approved by the Commissioner in order for the operator of the wells to produce the same. As of this date, no agreements have been filed. There are currently eight (8) wells contributing to the four (4) required communitization agreements, one well and an infill well respectively, for each quarter section.

It is the opinion of the Commissioner that Gruy Petroleum has had sufficient time to address this issue and respond accordingly by filing the appropriate agreements. Therefore, please accept this letter as a formal objection to the approval of this pending case.

Thank you for your assistance in this matter and if we may be of further service, please contact Jeff Albers at (505) 827-5759.

Sincerely,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas & Minerals Division
(505) 827-5744
RP/JB/ja
attachment

Well(s) subject to communitization agreement.

Rhodes State Com Well No. 18

Unit D, Section 16, Township 26 South, Range 37 East

Infill Well: Rhodes State Com Well No. 19, Unit F

Proration Unit: NW4

Rhodes State Com Well No. 20

Unit K, Section 16, Township 26 South, Range 37 East

Infill Well: Rhodes State Com Well No. 21, Unit M

Proration Unit: SW4

Rhodes State Com Well No. 3

Unit A, Section 16, Township 26 South, Range 37 East

Infill Well: State Y Com Well No. 1, Unit H

Proration Unit: NE4

Rhodes State Com Well No. 4

Unit J, Section 16, Township 26 South, Range 37 East

Infill Well: State A Com Well No. 1, Unit P

Proration Unit: SE4