



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 1, 1999

Santa Fe Energy Resources, Inc.
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

RE: *Administrative application of Santa Fe Energy Resources, Inc. to drill its Rio Blanco "14" Federal Com. Well No. 2 at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 4, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, in which the S/2 of Section 4 is to be dedicated in order to form a standard 320-acre gas spacing and proration unit within either the Undesignated North Bell-Morrow Gas Pool or Undesignated Antelope Ridge-Morrow Gas Pool.*

Dear Mr. Bruce:

On January 27, 1999 the Division received an objection from Conoco, Inc. and on January 28, 1999 objections from Amerada Hess Corporation and Kaiser Francis Oil Company were also received to the subject application, see copies of letters attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for March 4, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's 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

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
Conoco, Inc. (Attn. Jimmy D. Carlile) - Midland, Texas
Amerada Hess Corporation (Attn. Henry J. Hansen) - Houston, Texas
Kaiser-Francis Oil Company (Attn. James T. Wakefield) - Tulsa, Oklahoma
Kathy Valdes - NMOCD, Santa Fe
Florene Davidson - NMOCD, Santa Fe