CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

OL CONSERVATION DIV.

12317

S9 NOV 23 JPHEHSON PLACE

SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421 FACSIMILE: (505) 983-6043

E-MAIL: ccbspa@ix.netcom.com

November 22, 1999

HAND-DELIVERED

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

Re: Application of Ameristate Oil and Gas, Inc. for amendment of Division Order No. R-11252, Eddy County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Ameristate Oil & Gas, Inc. in the above-referenced case as well as a legal advertisement. Ameristate requests that this matter be placed on the docket for the December 16, 1999 Examiner hearings.

Ms.Lori Wrotenbery November 22, 1999 Page 2

Since this application only involves the amendment of an order to change a well location from one standard location to another and extend the time for commencing the well, Ameristate requests that the case be advertised so that, in the absence of objection, the application be taken under advisement.

Very truly yours,

WILLIAM F. CARR

WFC/md

Enclosures

cc: Mark Nearburg (w/enclosures)
Ameristate Oil and Gas, Inc.

STATE OF NEW MEXICO OLL CONSERVATION DIVISION OF LOCAL RESOURCES OLL CONSERVATION DIVISION OF LICENSERVATION DIVISION DIVISION OF LICENSERVATION DIVISION DIVISION OF LICENSERVATION DIVISION DIVISIONE DIVISION DIVISION DIVISION DIVISION DIVISION DIVISION DIVISIONO

IN THE MATTER OF THE APPLICATION
OF AMERISTATE OIL AND GAS, INC.
FOR AMENDMENT OF DIVISION ORDER
NO. R-11252, EDDY COUNTY, NEW MEXICO. CASE NO. 123/7

APPLICATION

AMERISTATE OIL AND GAS, INC. ("Ameristate"), through its undersigned attorneys, hereby makes application for amendment of Division Order No. R-11252 to change the location of the Maneater Federal Com "30" Well No. 1 to a point 1815 feet from the North and East lines of Section 30, Township 17 South, Range 25 East, NMPM, , and in support hereof states:

- 1. Oil Conservation Division Order No. R-11252, entered on September 30, 1999, in Case 12247, granted the application of Ameristate and compulsory pooled certain spacing and proration units in the N/2 of Section 30, Township 17 South, Range 25 East, NMPM, Eddy County, New Mexico, and designated Ameristate operator of the Maneater Federal Com "30" Well No. 1 to be drilled thereon.
- 2. The location for the Maneater Federal Com "30" Well No. 1 was originally proposed and approved at a standard location 1980 feet from the North and East lines of said Section 30. The well is proposed to be drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation.
 - 3. Following the entry of Order No. R-11252, Ameristate reviewed the data on

this acreage and concluded that the well should be moved to another standard location on this pooled acreage 1815 feet from the North and East lines of Section 30.

- 4. Ameristate requests that Order No. R-11252 be amended to reflect the new location for the Maneater Federal Com "30" Well No. 1 a point 1815 feet from the North and East Lines of said Section 30 and that the date for commencement of the well be extended until 90 days after the date of the amended order approving the change in well location.
- 5. Notice of this application has been provided to all working interest owners whose interests were pooled by Order No. R-11252 as set out on Exhibit A to this application.
- 6. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Ameristate Oil and Gas, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 16, 1999, and, after notice and hearing as required by law, the Division amend Division Order No. R-11252 to reflect the correct location of the Maneater Federal Com "30" Well No. 1 and to extend the date of commencement of the drilling of the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE, AND SHERIDAN, P.A.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR AMERISTATE OIL AND GAS, INC.

EXHIBIT A

Application of Ameristate Oil and Gas, Inc. for amendment of Division Order No. R-11252, Eddy County, New Mexico

Ms. Corrine Grace Post Office Box 1418 Carlsbad, New Mexico 88220

Ms. Linda Gomillion 1122 Euclid Street Santa Monica, California 90403 CASE 12317:

Application of Ameristate Oil and Gas, Inc. for amendment of Division Order No. R-11252, Eddy County, New Mexico. Applicant in the above-styled cause seeks amendment of Division compulsory pooling order No. R-11252 which compulsory pooled certain spacing and proration units in the N/2 of Section 30, Township 17 South, Range 25 East, NMPM. Applicant seeks amendment of Order No. R-11252 to change the location of its proposed Maneater Federal Com "30" Well No. 1 to a standard location 1815 feet from the North and East lines of Said Section 30 and to extend the date for commencement of the drilling of the well until 90 days following the date of the amended order. Said area is located approximately 5 miles Southwest of Artesia, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.