

GALLEGOS LAW FIRM

A Professional Corporation

460 St. Michael's Drive
Building 300
Santa Fe, New Mexico 87505
Telephone No. 505-983-6686
Telefax No. 505-986-1367
Telefax No. 505-986-0741
E-Mail glf460@spinn.net

CONFIRMATION COPY
OF FACSIMILE
JUL 18 PM 1:02

July 17, 2001
(Our File No. 00-1.84)

J.E. GALLEGOS*

VIA TELECOPY 476-3471

David Catanach, Examiner
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

Re: Case No. 12563; Application of the NMOCD for Termination of Gas
Prorationing in the Jalmat and Eumont Gas Pools and To Amend The
Special Pool Rules

Dear Examiner Catanach:

Regarding the testimony of Dr. Van Kirk that various governmental agencies are pressing operators to either plug and abandon or return to production the many abandoned wellbores in the subject pools; that many of these wells have good casing and in those instances it is a better use of resources to return them to production than to P & A them; that restoration is another ground upon which an infill well could be authorized; it was suggested that proposed Rule 4(B) include a category for allowing an additional well on a spacing unit on that basis.

You requested that we provide suggested wording for such a category. It is offered that Rule 4(B) include a fourth condition as follows:

(d) to avoid waste by returning an abandoned wellbore to beneficial use

We appreciate your consideration and are available if we can be of assistance.

Sincerely,

GALLEGOS LAW FIRM, P.C.

BY: 
J.E. GALLEGOS

JEG:sg

cc: David Brooks
Michael Stogner
William Carr
James Bruce
Doyle Hartman

*New Mexico Board of Legal Specialization
Recognized Specialist in the area of
Natural Resources-Oil and Gas Law