

Charles F. Malone

Post Office Drawer 700  
Roswell, New Mexico 88201

505-622-6221

August 3, 1992

William J. LeMay  
Oil Conservation Division  
Santa Fe, NM

Re: Case No. 10326  
Orders No. R-9554 and 9545

*Case 10578*

*JMS 8/3/92*

Dear Mr. LeMay:

I am writing in behalf of Earl L. Malone, M.D., Baynard W. Malone, Jean A. Eaton, the Elizabeth A. Malone Testamentary Trust and the Charles F. Malone Living Trust. These persons own leasehold, working and royalty interests which will be directly affected by the action of the Oil Conservation Division at the hearing to be held August 6, 1992, and received Notice of the hearing.

We ask that the Division consider the following matters, all of which seem to indicate that a change from 80 acre spacing, to 160 acre spacing, is not warranted:

1. The original decision of the OCD was to establish 80 acre spacing. We believe the rationale for the initial decision is still applicable.
2. The depths to the existing production in the immediate area do not appear to create an uneconomic drilling situation, on 80 acre spacing.
3. The substantial amount of production, from various producing zones in the immediate area, indicates that future exploratory drilling and development would not be hampered by retaining 80 acre spacing.

We would appreciate having this letter handed to the Examiner as evidence in the August 6, 1992 hearing.

Thank you for your kind attention and consideration.

Very truly yours,



Charles F. Malone

CFM\ah

cc: Other Owners

ATWOOD, MALONE, MANN & TURNER

A Professional Association

P.O. Drawer 700

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TELECOPY COVER LETTER

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TO: William LeMay

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Confirmation Requested: Yes  No

FROM: Charles Malone

Client/Matter Number: Case No 10326

ADDITIONAL MESSAGE:  
see attached letter