



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

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CABINET SECRETARY

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 12, 1993

Hinkle, Cox, Eaton, Coffield & Hensley
Attn: James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504-2068

RE: Case No. 10666
Santa Fe Energy Operating Partners, L.P.
Kansas City Singer "18" Well No. 1
1980' FSL - 660' FEL (Unit I) of Section
18, Township 20 South, Range 27 East,
NMPM, Eddy County, New Mexico.

Dear Mr. Bruce:

After preliminary review of your letter dated February 12, 1993 concerning the subject matter, which was also the first time I've had a chance to review the file in the up-coming Case No. 10666 (also concerning same). It was quit obvious both your application for hearing and letter failed to address the proposed unorthodox gas well location in the McMillan-Morrow Gas Pool. Case No 10666 will be re-advertised to include this omission and to also clarify your application.

With the potential complexity of this issue and due to recent problems with forming non-standard gas spacing and proration units to avoid communitization, this matter will not be processed administratively.

Should you have any questions concerning this matter, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Artesia
Case File 10666

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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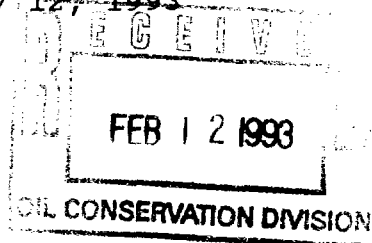
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*NOT LICENSED IN NEW MEXICO

William J. LeMay
Oil Conservation Division
320 Old Santa Fe Trail
Santa Fe, New Mexico 87503

February 12, 1993



Re: Application for Administrative Approval of
a Non-Standard Spacing and Proration Unit,
Kansas City Singer "18" No. 1 Well, 1980'
FSL and 660' FEL of Section 18, Township
20 South, Range 27 East, N.M.P.M., Eddy
County, New Mexico

Dear Mr. LeMay:

Santa Fe Energy Operating Partners, L.P., hereby applies for
administrative approval of a non-standard spacing and proration
unit, consisting of the E $\frac{1}{2}$ of Section 18, for the above well.

The subject well will be drilled to test the Morrow formation,
and is located within the boundaries of the McMillan-Morrow Gas
Pool. The pool rules (Order No. R-2917, as made permanent by Order
No. R-2917-B) provide for 640 acre spacing. However, Rule 3
permits the Director to approve a non-standard unit if the proposed
unit lies wholly within a governmental section, and notice is given
to offset operators and operators in the W $\frac{1}{2}$ of Section 18. Notice
of this application has been given as required by Order No. R-2917,

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William J. LeMay
February 11, 1993
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and an affidavit with certified return receipts will subsequently be provided to the Division.

Based on the foregoing, Santa Fe requests approval of the non-standard E $\frac{1}{2}$ unit.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

/Attorneys for Santa Fe Energy
Operating Partners, L.P.

JB:frs

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HINKLE, COX, EATON, COFFIELD & HENSLEY