

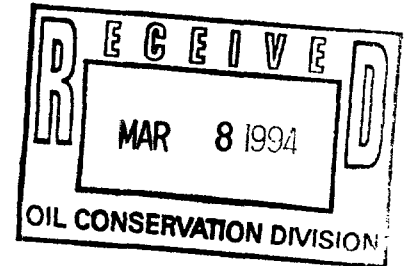
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March 8, 1994



HAND-DELIVERED

Mr. William J. LeMay, Director  
New Mexico Oil Conservation Division  
State Land Office  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: Application to Reopen Case No. 10756

Dear Mr. LeMay:

Enclosed please find, in triplicate, Hal J. Rasumssen Operating, Inc.'s Application to Reopen Case 10756.

We respectfully request that this matter be placed on the docket for the next available Examiner hearing.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ernest L. Padilla".

Ernest L. Padilla

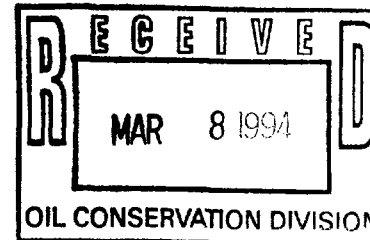
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xc: Hal J. Rasmussen Operating, Inc.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

Application of Hal J. Rasmussen  
Operating Inc., for Two  
Unorthodox Well Locations  
and Simultaneous Dedication,  
Lea County, New Mexico

Case No. 10756



APPLICATION TO REOPEN CASE NO. 10756

Applicant states:

1. On July 29, 1993 Case No. 10756 came on for hearing before Examiner Michael E. Stogner and on October 13, 1993 the Division rendered its Order No. R-9988 denying the application filed by Applicant therein.

2. In Case No. 10756 Applicant sought:

- (a) Authorization to drill its Sholes "A" Well No. 9 at an unorthodox oil well location 1300 feet from the South line and 660 feet from the East line (Unit P) of Section 24, Township 25 South, Range 36 East, NMPM, Jalmat Oil and Gas Pool, Lea County, New Mexico. The existing standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 of said Section 24, which is currently dedicated to the applicant's Sholes "A" Well No. 1, located at a standard oil

well location 660 feet from the South and East lines of said Section 24, is to be simultaneously dedicated to both wells.

- (b) Authorization to drill its Sholes "A" Well No. 10 at an unorthodox Jalmat oil well location 1300 feet from the North line and 660 feet from the East line (Unit A) of said Section 24. The existing standard 40-acre oil spacing and proration unit comprising the NE/4 NE/4 of said Section 24, which is currently dedicated to the applicant's Sholes "A" Well No. 2, located at a standard oil well location 660 feet from the North and East lines of said Section 24, is to be simultaneously dedicated to both wells.

3. The Applicant at the time of hearing was and is currently the owner and operator of the Sholes "A" Lease comprising the E/2 E/2 of said Section 24.

4. The Division in Order R-9988 made the following findings:

- (a) The Applicant currently is in violation of the rule by having the Jalmat Oil and Gas Pool underlying the E/2 of said Section 24 fully developed with four active oil wells on four oil proration units and one active gas well with an acreage factor of one.

(b) The Applicant failed to provide sufficient evidence to show that correlative rights would be adequately protected or if waste would be prevented should these two additional wells be drilled.


(c) This application should therefore be denied.

5. Since Order No. R-9988 was issued Applicant has discovered additional information, not previously available to Applicant, which it believes would result in approval of the application.

WHEREFORE, Applicant requests that Case No. 10756 be reopened and that additional testimony and evidence be taken and that thereafter Applicant's application in Case No. 10756 be granted and approved.

Respectfully submitted:

PADILLA LAW FIRM, P.A.

By:   
Ernest L. Padilla  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577

Attorneys for Applicant