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*NOT LICENSED IN NEW MEXICO
**FORMERLY COMPRISING THE FIRM OF
CULTON, MORGAN, BRITAIN & WHITE, P.C.

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JEFFREY S. BAIRD*
THOMAS E. HOOD**
REBECCA NICHOLS JOHNSON

July 28, 1994

HAND-DELIVERED

Florene Davidson
Oil Conservation Division
Santa Fe, New Mexico

Dear Florene:

Enclosed are an original and two copies of the applications and proposed advertisements for the following cases filed on behalf of Santa Fe Energy Operating Partners, L.P.:

1. Application for approval of a unit agreement; and
2. Application for compulsory pooling, an unorthodox gas well location, and directional drilling.

Please set these matters for the September 1, 1994 Examiner Hearing. Thank you.

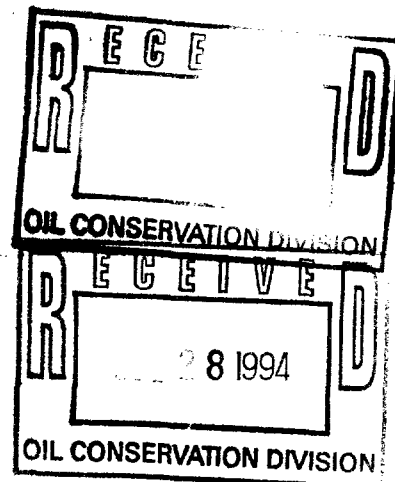
Very truly yours,

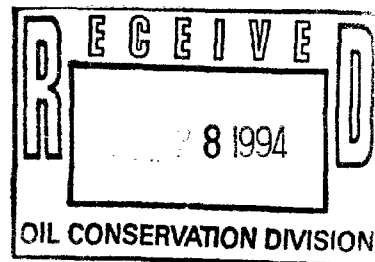
HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce

Enclosures

JGB/sp





BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P., FOR
APPROVAL OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

No. 11074

APPLICATION

Santa Fe Energy Operating Partners, L.P. hereby applies for approval of a unit agreement for its proposed Quail Ridge Unit, and in support thereof states:

1. Applicant requests approval of the Quail Ridge Unit Agreement, an exploratory unit, for a unit area comprised of the following state and federal lands:

Township 20 South, Range 33 East, N.M.P.M.

Section 25: E $\frac{1}{2}$

Section 36: All

Township 20 South, Range 34 East, N.M.P.M.

Section 29: W $\frac{1}{2}$

Section 30: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)

Section 31: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)

Section 32: W $\frac{1}{2}$

Township 21 South, Range 33 East, N.M.P.M.

Section 5: Lots 1-16

Section 6: Lots 1-16

Comprising 4134.35 acres, more or less.

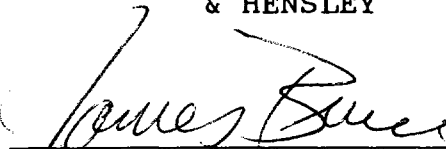
2. Applicant requests that it be designated operator of the unit.

3. Preliminary approval of the unit is being obtained from the Commissioner of Public Lands and the Bureau of Land Management.

4. The granting of this application is in the interests of conservation and the prevention of waste.

WHEREFORE, Applicant requests that the Quail Ridge Unit Agreement be approved.

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
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(505) 982-4554

Attorneys for Applicant

DRAFT

PROPOSED ADVERTISEMENT

Case No. 11076: Application of Santa Fe Energy Operating Partners, L.P. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Quail Ridge Unit Agreement for an area comprising 4134.35 acres, more or less, of Federal and State lands in Sections 25 and 36, Township 20 South, Range 33 East; Sections 29, 30, 31 and 32, Township 20 South, Range 34 East; and Sections 5 and 6, Township 21 South, Range 33 East, which is centered approximately

quail.ad

