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William F. Carr

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December 11, 2002

HAND DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

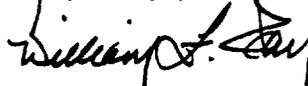
Case 12983

**Re: Application of Seely Oil Corp. for approval of a unit
agreement, Lea County, New Mexico.**

Dear Ms. Wrotenbery,:

Enclosed in triplicate is the Application of Seely Oil Corp. in the above-referenced case as well as a copy of the legal advertisement. Seely Oil Corp. requests that this matter be placed on the January 9, 2003 Examiner Hearing docket.

Very truly yours,



William F. Carr

Enclosures

cc: Clarence Stumhoffer
Seely Oil Company

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

**APPLICATION OF SEELY OIL
COMPANY FOR APPROVAL
OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12983

APPLICATION

SEELY OIL COMPANY ("Seely"), through its undersigned attorneys, hereby makes application for an order approving its EK Penrose Sand Unit and in support of this application states:

1. The proposed Unit Area consists of 1469.75 acres, more or less, of Federal and Fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 18 South, Range 33 East, N.M.P.M.

Section 24: SE/4
Section 25: NE/4

Township 18 South, Range 34 East, N.M.P.M.

Section 19: S/2
Section 20: S/2 SW/4, NW/4 SW/4
Section 29: NW/4, N/2 SW/4
Section 30: N/2, N/2 SE/4, E/2 SW/4

2. The Unit Agreement authorizes secondary recovery operations in the unit Area and has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Seely Oil Company, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

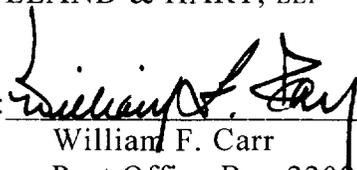
4. The proposed Unit Area covers all of the Penrose Queen Sand in the Unit Area as defined in the Unit Agreement as those underground reservoirs that exist in the interval from 4,640 feet to 4,750 feet on the Compensated Density Log in the C. W. Stumhoffer Federal "CS" No. 1 well located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Seely Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2003, that notice be given as required by law and the rules of the Division, and that the EK Penrose Sand Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR SEELY OIL COMPANY

CASE NO. 12983: Application of Seely Oil Company for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the EK Penrose Sand Unit for an area comprising 1469.75 acres of federal and fee lands in Sections 24, and 25 of Township 18 South, Range 33 East, and Sections 19, 20, 29 and 30 of Township 18 South, Range 34 East, NMPM. Said unit area is located approximately 14 miles southwest of Lovington, New Mexico.

CASE NO. 12983 : Application of Seely Oil Company for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the EK Penrose Sand Unit for an area comprising 1469.75 acres of federal and fee lands in Sections 24, and 25 of Township 18 South, Range 33 East, and Sections 19, 20, 29 and 30 of Township 18 South, Range 34 East, NMPM. Said unit area is located approximately 14 miles southwest of Lovington, New Mexico.