

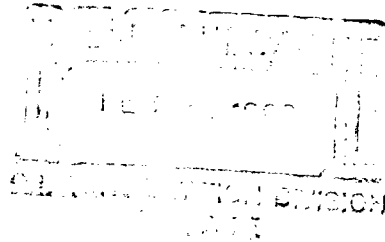


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

TONY ANAYA
GOVERNOR

February 21, 1986

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178



Mr. Jeff Taylor
Oil Conservation Div.
P.O. Box 2088
Santa Fe, NM 87504-2088

Dear Jeff:

Please docket 3 cases on our own motion for creation of non-standard proration units.

Our 3 cases include the following:

Case #1

Creation of 6 non-standard proration units for 160 acres deeper than the Mesaverde formation in the western boundary of Township 26 North, Range 2 West, Rio Arriba County, N.M. including sections 6, 7, 18, 19, 30 and 31.

Case #2

Creation of 6 non-standard proration units for 320 acres deeper than the Mesaverde formation in the western boundary of Township 26 North, Range 2 West, Rio Arriba County, N.M. including sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32.

Case #3

Creation of 7 non-standard proration units and exception to Gavilan-Mancos and Gavilan-Greenhorn-Graneros Dakota oil pool rules in the western boundary of Township 25 North, Range 2 West, Rio Arriba County, N.M. including sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31 and 32.

Our request for non-standard proration units of 160 acres and 320 acres in formations deeper than the Mesaverde in that portion of the Township 26 North, Range 2 West, Rio Arriba County, N.M. is because of irregular sections.

We feel that creation of the units are essential for reasonable development, thereby preventing waste and protecting correlative rights.

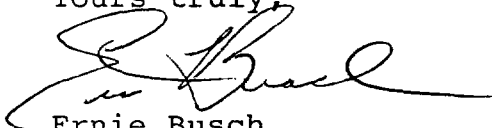
Case 8854

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Our request for non-standard proration units and asking for exception to special pool rules in the Gavilan-Mancos and Gavilan-Greenhorn-Graneros Dakota oil pools is necessary because of irregular sections in that portion of Township 25 North, Range 2 West, Rio Arriba County, N.M.

We feel that creation of the units and asking for special pool rules exception is essential to reasonable development, thereby preventing waste and protecting correlative rights.

Yours truly,

A handwritten signature in dark ink, appearing to read 'Ernie Busch', with a stylized, flowing script.

Ernie Busch
Geologist 3

EB/dj

xc: E. Busch