

OIL CONSERVATION DIVISION

May 30, 1990

Mr. James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Attorneys at Law
500 Marquette, N.W.
Suite 740
Albuquerque, New Mexico 87102-2121

Applicant:
Santa Fe Energy Operating
Partners, L.P.

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Florene Davidson

Copy of order also sent to:

Hobbs OCD	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	

Other _____

21 3107
9 33
HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

500 MARQUETTE N.W., SUITE 800

ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

FAX (505) 768-1529

OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1997)

April 24, 1990

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FAX (806) 372-9761

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ERIC D. LANPHERE
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MARSHALL G. MARTIN
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WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
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STEPHANIE LANDRY
JERRY D. WORSHAM II
JOHN R. KULSETH, JR.
TONY CONNERS*

*NOT LICENSED IN NEW MEXICO

Mr. William Lemay
Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

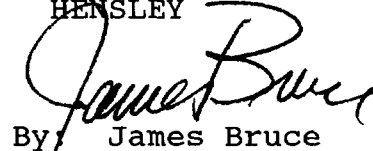
Re: Case No. [REDACTED], Application of Santa Fe Energy Operating Partners, L.P. for Surface Commingling, Lea County, New Mexico

Dear Mr. Lemay:

We represent Santa Fe Energy Operating Partners, L.P. On behalf of the applicant, we request that the above matter be continued to the May 16, 1990 Examiner Hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY


By James Bruce

JB:le



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

GARREY CARRUTHERS
GOVERNOR

March 26, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Santa Fe Energy Operating Partners, L.P.
500 West Illinois
Suite 500
Midland, Texas 79701

Case 9923

Attention: Thomas E. Gentry

Dear Mr. Gentry:

Reference is made to your application dated February 8, 1990, requesting authorization to surface commingle North Young Bone Spring Pool production from the Sharp Shooter "2" State Well Nos. 1, 2 and 3 located in Section 2, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. From the information submitted, it appears that the interest ownership in the subject wells is not common, and as such would require approval pursuant to Division Rule No. 309-B. According to Division Rule No. 309-B, commingling such production without separately metering, such as proposed, cannot be approved administratively. I have therefore set the application to hearing before a Division Examiner. The tentative date for said hearing is May 2, 1990.

If you do not wish to pursue this application or need additional time to prepare for the hearing, please advise. If you should have any questions, please contact myself at (505) 827-5800.

Sincerely,

David Catanach
David Catanach
Engineer