

NSR 10/18/99

OGS OPERATING COMPANY, INC.

550 W. TEXAS, SUITE 1140
MIDLAND, TEXAS 79701
(915) 682-6373
(915) 682-4634 FAX

RECEIVED

SEP 27 1999

CERTIFIED MAIL RETURN RECEIPT REQUESTED

SEPTEMBER 23, 1999

**MR. MICHAEL E. STOGNER
CHIEF HEARING OFFICER/ENGINEER
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NM 87505**

**Re: Request for exception to Special Rules and Regulations for the Bluit San Andres Associated Pool
The N/2 of Section 15 and E/2 of Section 16, T-8-S, R-37-E, Roosevelt County, New Mexico.**

Dear Mr. Stogner:

As we discussed on the telephone this letter is a request for an exception to Rule 2. of the Special Rules and Regulations for the Bluit San Andres Associated Pool.

The Special Rules and Regulations for the Bluit San Andres Associated Pool are as follows:

- RULE 2. (a) A standard oil proration unit shall be 80 acres. A standard gas proration unit shall be 320 acres.**
- (b) Oil wells shall be located within 150 feet of the center of a quarter-quarter section. Gas wells shall be located not closer than 990 feet to the quarter section line nor closer than 330 feet to any quarter-quarter section line.**

This request concerns the following wells operated by OGS Operating Company, Inc. in the Bluit San Andres Associated Pool in Roosevelt County, New Mexico:

The Bilberry 15 Federal Com #2 well located 1,980' FNL & 1,980 FWL of Section 15, T-8-S, R-37-E, this is the second well located on the N/2 of Section 15 Proration Unit the being 320± acres.

The Bluit 16 State #1 well located 1,980' FNL & 660 FWL of Section 16, the Proration Unit being the E/2 of Section 16, 320± acres.

These wells were drilled to a depth sufficient to test a mid to lower San Andres oil zone. Both well's location and spacing units are in compliance with the Special Rules and Regulations for the Bluit San Andres Associated Pool for oil wells. Neither well was commercially productive in the oil zone, but each was completed and commercially productive in a shallower San Andres gas zone.

This letter is intended as an application, for each well, for an exception to RULE 2. of the Special Rules and Regulations for the Bluit-San Andres Associated Pool

Enclosed is a plat showing the proration units and the operator of affected leases offsetting these wells.

In accordance with your instructions a copy of this letter has been sent Certified Mail Return Receipt Requested to the affected offset operators (see the attached list).

Please call if you have a question.

**Sincerely,
OGS Operating Company, Inc.**


Thom O'Brien, President

**ADDRESS LIST
OFFSET OPERATORS**

N/2 OF SECTION 15 AND E/2 OF SECTION 16, T-8-S, R-37-E ROOSEVELT COUNTY, NEW MEXICO

Certified Return Receipt

- Eunice Well Service
1901 Main St.
Eunice, NM 88231
(505) 394-2518
(505) 394-2519 fax**

P 329 341 558

Eunice Well Service is the Operator of the Light #1 well located in "Unit I" of Section 15, T-8-S, R-37-E, Roosevelt County, New Mexico.

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/27/99 15:58:35
OGOMES -TPXM
PAGE NO: 2

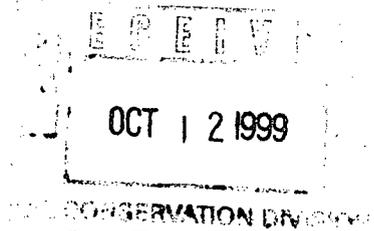
Sec : 15 Twp : 08S Rng : 37E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned A
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

OGS OPERATING COMPANY, INC.

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MIDLAND, TEXAS 79701
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OCTOBER 7, 1999

**OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NM 87505**

**Attention: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer**

**Re: OGS Operating Company, Inc.,
Bilberry 15 Federal Com #2 Well: 1,980 FN & WL Section 15,
Bluitt 16 State #1 Well: 660' FNL & 1,980' FWL, Section 16,
T-8-S, R-37-E Roosevelt County, New Mexico**

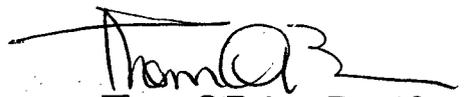
Gentlemen:

Please refer to my letter dated September 23, 1999 in which I requested an exception to Rule 2 of the Special Rules and Regulations of the Bluitt-San Andres Associated Pool for the referenced wells.

In connection with my request, attached is a copy of the "Return Receipt" for the copy of my September 23, 1999 letter which I sent to affected offset Operators.

Please call if you have a question.

**Sincerely,
OGS Operating Company, Inc.**


Thom O'Brien, President

ADDRESS LIST
OFFSET OPERATORS

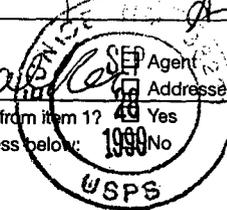
N/2 OF SECTION 15 AND E/2 OF SECTION 16, T-8-S, R-37-E ROOSEVELT COUNTY, NEW MEXICO

Certified Return Receipt

1. Eunice Well Service
1901 Main St.
Eunice, NM 88231
(505) 394-2518
(505) 394-2519 fax

P

Eunice Well Service is the Operator of the Light #1 well located in "Unit I" of Section 15, T-8-S, R-37-E, Roosevelt County, New Mexico.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits.	A. Received by (Please Print Clearly)	B. Date of Delivery
1. Article Addressed to: EUNICE WELL SERVICE 1901 MAIN EUNICE, NM 88231	C. Signature <i>Monadic Walker</i> Agent Addressed	
2. Article Number (Copy from service label) P 329 341 558	D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: 1990 No 	
PS Form 3811, July 1999	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

9/28/99

Domestic Return Receipt

102595-99-M-1789

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

09/27/99 15:58:31
OGOMES -TPXM
PAGE NO: 1

Sec : 15 Twp : 08S Rng : 37E Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Fee owned A
E 40.00 Federal owned	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

09/27/99 16:06:50
OGOMES -TPXM

API Well No : 30 41 20883 Eff Date : 08-25-1997 WC Status : A
Pool Idn : 6880 BLUITT;SAN ANDRES (ASSOCIATED)
OGRID Idn : 16367 OGS OPERATING CO INC
Prop Idn : 21067 BILBERRY 15 FEDERAL COM

Well No : 002
GL Elevation: 4007

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: F	15	08S	37E	FTG 1980 F N	FTG 1980 F W	A

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC