



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 8, 1998

F & M Oil and Gas Company  
P.O. Box 891  
Midland, Texas 79702-0891

Attention: Ms. Leah D. Spears  
Office Manager

Re: Request for Second Extension of Administrative Order No. WFX-689

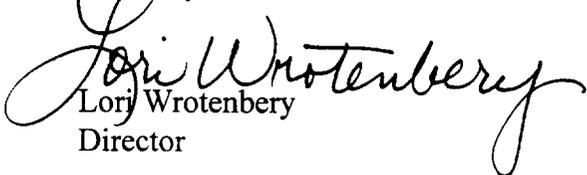
Dear Ms. Spears:

My staff has reviewed your request to extend the effective expiration date of Division Order No. WFX-689 to such time as oil and gas prices become more "equitable". It is our understanding that Division Order No. WFX-689 authorized F & M Oil and Gas Company to convert its Wallen Tonto Well No. 7, located in Unit I of Section 30, Township 19 South, Range 33 East, NMPM, to an injection well within the Wallen Tonto Waterflood Project, provided that the well would be converted within one year of the effective date of the order (August 6, 1996). It is further our understanding that the Division, upon the request of F & M Oil and Gas Company, previously extended the expiration date of Order No. WFX-689 to April 15, 1998.

As per your request and for the reasons outlined in your letter, the expiration date of Division Order No. WFX-689 is hereby extended for one year to April 15, 1999. Please be advised that no additional extensions of this order will be granted and that conversion of the Wallen Tonto Well No. 7 to an injection well subsequent to April 15, 1999 will require a new injection permit.

All other provisions contained within Division Order No. WFX-689 shall remain in full force and effect.

Sincerely,

  
Lori Wrotenbery  
Director

LW/DRC

xc: OCD-Hobbs  
File-WFX-689

**F & M OIL AND GAS COMPANY**

P. O. BOX 891  
MIDLAND, TEXAS 79702-0891  
(915) 682-7714  
FAX 682-7700

*Urgent*

March 20, 1998

New Mexico Energy, Minerals &  
Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87506

**Attn: David Catanach**

**Re: Administrative Order WFX-689  
Conversion of Tonto #7  
Request for extension**

Dear David:

Please find enclosed a copy of a letter received September 15, 1997. This letter reviewed our request for an extension on the above referenced waterflood injection conversion for the Tonto #7.

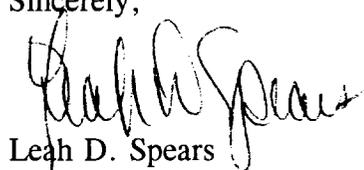
The current oil price situation has necessitated the review of current well procedures that are not currently cost effective. We hereby request the extension of the period to implement the conversion on this well until such time as prices become more equitable.

A review of the current information available, does not show any changes within the "area of review" first used when our application was filed for this conversion.

As the September letter states, our current application was extended until April 15, 1998. We apologize for the delay in this request, we were hoping the current downturn in the industry would relieve itself in the past 30 days allowing us to begin conversion proceedings. Please notify this office at your earliest convenience of the status of our new extension request.

As always, we appreciate your help. Thank you for your time and attention to this matter.

Sincerely,

  
Leah D. Spears  
Office Manager