



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



BRUCE KING
GOVERNOR

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January 12, 1994

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Hallwood Energy Companies
P.O. Box 378111
Denver, CO 820237

Attention: Kevin E. O'Connell, Drilling and Production Manager

RE: *Administrative application for a non-standard gas spacing and proration unit. Hallwood-Willmerding 9 Well No. 2, NE/4 of Section 9 and NW/4 of Section 10, Township 31 North, Range 13 West, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico.*

Dear Mr. O'Connell:

Your letter dated December 9, 1993, which contained supplemental information concerning notification for the subject application, has been reviewed by various Division staff members in Santa Fe. Pursuant to our discussions, it has been determined that your notification to all the appropriate parties owning interest in the SE/4 of said Section 9 may not be adequate. It is clear the Benson-Montin-Greer Drilling Corporation (BMG) was notified; however, does BMG control any of the Fruitland Coal Gas working interest within the SE/4 of Section 9? Also, who are the royalty interests and, if any, overriding royalty interests owners in the SE/4 of Section 9?

Further, to completely satisfy the Division's concerns that all notification procedures required in this matter have been met, please provide an affidavit of notification. Considering past and present notification concerns that the Division has been involved, we find these precautions necessary for such an application.

Thank you for your cooperation in this matter. Should you have any additional questions concerning this matter, please contact either Robert Stovall or myself.

Sincerely,


Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Aztec
Robert G. Stovall - Oil Conservation Division, Santa Fe
William J. LeMay, Director - Oil Conservation Division, Santa Fe
Jim Morrow, Chief Engineer - Oil Conservation Division, Santa Fe
US Bureau of Land Management - Farmington