



February 25, 2005

Michael E. Stogner
Chief Hearing Officer and Examiner
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

2005 FEB 25 AM 10:39

**Re: Application of Paladin Energy Corporation for Administrative
Approval of an Unorthodox Oil Well Location**
South Vacuum 27 Well No. 3
2300 feet from the South line and 1100 feet from the East line (Unit I)
Section 27, T-18-S, R-35-E, Lea County, New Mexico.

Dear Mr. Stogner:

By letter dated February 23rd, I provided the Division with the above referenced administrative application. Jeff Albers called this morning to inform me that I had mistakenly reversed the state leases discussed in the third paragraph of the letter application. That paragraph should read (with the changes noted in italics):

Attachment A is a C-102 for this proposed well showing its location and footage. Attachment B is a land locator map showing the existing well, the proposed 40-acre spacing and proration unit, and the adjoining 40-acre spacing units and wells. Paladin is the record title owner of State Oil and Gas Lease *EO1635-006* covering the NE/4 SE/4 (Unit I) of said Section 27 where the well is located. Paladin is also the record title owner of State Oil and Gas Lease *V-6744-000* covering the NW/4 SE/4 (Unit J) of Section 27 that is affected by the unorthodox well location.

I apologize for any inconvenience this error may have caused.

Sincerely,

Michael H. Feldewert

cc. Jeff Albers