

(915) 682-6373 (915) 682-4634 FAX

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

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:

Re:

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 Bluitt San Andres Associated Pool.

Request for exception to Special Rules and Regulations for the Bluitt San Andres Associated Pool

The Special Rules and Regulations for the Bluitt 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 Bluitt 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 Bluitt 16 State #1 well located 1,980' FNL & 660 FWL of Section 16, the Proration Unit being the E/2 of Section 16, $320 \pm$ 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 Bluitt 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 Bluitt-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

1. 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.

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INQUIRE WELL COMPLETIONS

OGOMES -TP20

Pool Idn : 6880 BLUITT; SAN ANDRES (ASSOCIATED)

OGRID Idn : 16367 OGS OPERATING CO INC

Prop Idn : 23079 BLUITT 16 STATE

Well No : 001 GL Elevation: 4021

U/L Sec Township Range North/South East/West Prop/Act(P/A)

B.H. Locn : H 16 08S 37E FTG 1980 F N FTG 660 F E

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : S

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

Date: 10/18/1999 Time: 01:26:00 PM