

CENTENNIAL

P.O. BOX 1837

• ROSWELL, NM 88202 •

(505) 622-2700

November 5, 1993

Robert G. Stoval, Esquire
General Counsel
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Pronghorn SWD System
Administrative Order SWD 536

Dear Mr. Stoval:

Pronghorn SWD System has been good enough to furnish us with a copy of the captioned administrative order approved by the Division on October 25, 1993, and signed by the Director. On September 10, 1993, Centennial mailed a letter to the Division protesting the granting of the application and requesting that the matter be set down for a hearing. A copy of this letter is enclosed.

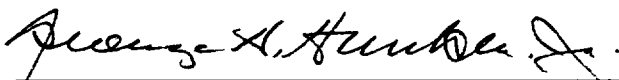
The Centennial partners met with Larry R. Scott and Marc Wise on November 2, 1993 and agreed to settle our concerns as to drainage of Centennial's lease in the SW/4SW/4 of Section 18, Township 19 South, Range 33 East.

This letter is written for the purpose of advising the Division that Centennial no longer protests the Pronghorn application and consents to the approval thereof.

We trust that this letter will clear the record. The well drilled must conform to the Order.

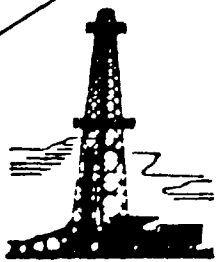
Sincerely,

CENTENNIAL

by 
George H. Hunker, Jr., General Partner

GHH/jr
enclosure

xc Larry R. Scott, Pronghorn SWD System



CENTENNIAL

September 10, 1993

P.O. BOX 1837

• ROSWELL, NM 88202 •

(505) 622 2700

Oil Conservation Division
State Land Office Building
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Pronghorn SWD System
Township 19 South, Range 32 East, Section 24

Gentlemen:

Centennial, a New Mexico General Partnership, has been served with formal notice that Pronghorn SWD System has made application for a water disposal well with the New Mexico Oil Conservation Division; the notice indicates that disposal will be into the Yates-Seven Rivers Formation, open hole, over an interval of 3300' to 3500'. Maximum rate and pressure are anticipated to be 12,500 BWPD and 600 psi. The well is to be located 330' FNL and 1650' FEL of Section 24, Township 19 South, Range 32 East, Lea County, New Mexico.

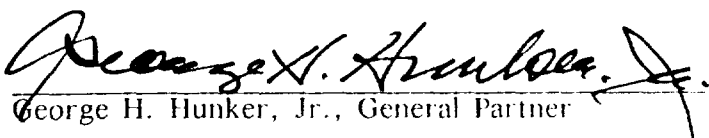
Centennial owns a federal oil and gas lease, NM NM 81593, described as being Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 18, Township 19 South, Range 33 East, which said tract is located within one-half mile of the proposed SWD Pronghorn #1. It appears from oil and gas maps of the area that there is Yates-Seven Rivers production in the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 13, Township 19 South, Range 32 East and Centennial is competently advised that there is commercial production of Yates-Seven Rivers oil and gas production in the area north of Centennial's lease in the N $\frac{1}{2}$ of Section 18, Township 19 South, Range 33 East.

Centennial protests the granting of the application filed by Pronghorn and states upon information and belief that its opportunity to produce its share of Yates-Seven Rivers oil or gas from its lease will be lost through the sweep of the flood, and its correlative rights will be impaired. Centennial's leasehold is prospectively productive of Yates-Seven Rivers oil and gas in the horizon proposed to be injected.

Centennial requests that this matter be set down for hearing before an examiner and that protestant be notified as to the date.

Respectfully submitted,

CENTENNIAL

by 
George H. Hunker, Jr., General Partner

Oil Conservation Division
State Land Office
September 10, 1993
Page 2

PS The certified notice in this matter was erroneously addressed to "Winston Centennial" and this probably is the result of a map maker's error. The notice was received on or about September 8, 1993.

xc Mr. Larry Scott
PRONHORN SWD SYSTEM
P. O. Box 1979
Hobbs, New Mexico 88241-1979