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2004 JUN 15 PM 4 28

Case 13300

June 15, 2004

Hand Delivered

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application to amend pool rules, together with a proposed advertisement, filed on behalf of HEC Petroleum, Inc. Please set this matter for the July 8, 2004 Examiner hearing. Thanks.

The advertisement is also on the enclosed disk.

Very truly yours,


James Bruce

Attorney for HEC Petroleum, Inc.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2004 JUN 15 PM 4 28
APPLICATION OF HEC PETROLEUM, INC. TO
AMEND THE SPECIAL RULES AND REGULATIONS
FOR THE CINTA ROJA-MORROW GAS POOL, LEA
COUNTY, NEW MEXICO.

No. 13300

APPLICATION

HEC Petroleum, Inc. applies for an order amending the special rules and regulations for the Cinta Roja-Morrow Gas Pool (the "Pool"), and in support thereof, states:

1. Applicant is a working interest owner and operator in the Pool.

2. The Pool was created by Commission Order No. R-2985, and currently covers the following lands in Lea County, New Mexico:

Township 24 South, Range 35 East, N.M.P.M.

Section 4: All

Section 8: All

Section 9: All

Section 10: All

3. Commission Order No. R-3161 instituted special rules for the Pool, providing for 640 acre spacing, with wells to be located no closer than 1650 feet to the outer boundary of the section, nor closer than 330 feet to a quarter-quarter section line.

4. Applicant requests that the special pool rules for the Pool be amended to provide for the following:

(a) 640 acre well spacing;

(b) orthodox well locations no closer than 660 feet to a quarter section line, nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary;

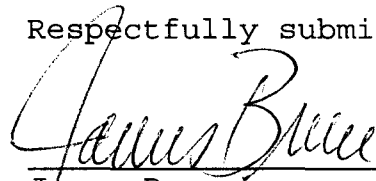
(c) four wells per section, provided that no more than one well shall be allowed per quarter section; and

(d) the operator of all wells in a well unit shall be the same.

5. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
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Attorney for HEC Petroleum,
Inc.

PROPOSED ADVERTISEMENT

Case 13300: Application of HEC Petroleum, Inc. to amend the special rules and regulations for the Cinta Roja-Morrow Gas Pool, Lea County, New Mexico. Applicant seeks an order amending the special rules and regulations for the Cinta Roja-Morrow Gas Pool to provide for 640 acre well units, four wells per well unit with no more than one well per quarter section, wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary, and one operator per well unit. The subject pool covers Sections 4, 8, 9, and 10, Township 24 South, Range 35 East, NMPM. The pool is centered approximately 13½ miles northwest of Jal, New Mexico.