HOLLAND&HART.

William F. Carr wcarr@hollandhart.com

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August 1, 2005

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87504

Re: Case No. 13527: Amended Application of NorthStar Operating Company for approval of a unit agreement, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the amended application of NorthStar Operating Company in the above-referenced case as well as a copy of a legal advertisement. NorthStar requests that this amended application be placed on the docket for the August 25, 2005 Examiner hearings.

Very truly yours

William F. Carr

ATTORNEY FOR NORTHSTAR OPERATING COMPANY

Enclosures

cc:

Ernest Angelo Bob Hodge

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

AMENDED APPLICATION OF NORTHSTAR OPERATING COMPANY FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 13527 AMENDED AND RE-ADVERT**ES**ED

AMENDED APPLICATION

NORTHSTAR OPERATING COMPANY ("NorthStar"), through its undersigned attorneys, hereby makes application for an order approving its NorthStar East Denton Unit and in support of this application states:

1. The proposed Unit Area contains 160 acres, more or less, of fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 15 South, Range 38 East, N.M.P.M.

Section 8: E/2 NW/4 and W/2 NE/4

- 2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.
- 3. The Applicant, NorthStar Operating Company, is designated as Unit Operator in said Unit Agreement and all formations from the surface to the base of the Wolfcamp formation are unitized.
- 4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.
- 5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, NorthStar Operating Company requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on August 25, 2005, that notice be given as required by law and the rules of the Division, and that the NorthStar Operating Company East Denton Unit be approved.

Respectfully submitted,

HOLLAND & HART LLP

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR NORTHSTAR **OPERATING COMPANY**

CASE NO. 13527: (Continued and Re-Advertised) Amended Application of NorthStar Operating Company for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the NorthStar Operating Company East Denton Unit unitizing all formations from the surface to the base of the Wolfcamp formation in an area comprising 160 acres, more or less, of fee lands in the E/2 NW/4 and W/2 NE/4 of Section 8 of Township 15 South, Range 38 East, NMPM. Said area is located approximately 15 miles east of Lovington, New Mexico.