

# Lynx Petroleum Consultants, Inc.

P.O. Box 1708  
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Hobbs, New Mexico 88241

505 392-6950

Fax: 505 392-7886

April 11, 2005

RECEIVED

APR 19 2005

OIL CONSERVATION  
DIVISION

Mr. David Catanach  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Case 13451 – Revocation of Administrative Permit SWD-966

Dear Mr. Catanach:

Lynx has recently been offered disposal capacity into an existing system by one of our offset operators that might eliminate the need for us to convert the Jones 'B' No. 3, the subject of SWD-966, to a disposal well. We are currently in the process of trying to secure the required Federal surface flowline permits as this option would be much more economical than developing our own well. The timing for this project is such that it will be approximately 60 to 90 days before we will know whether SWD-966 will even be needed. The question is one of adequate capacity being available in the existing well.

Contesting the proposed revocation involves considerable time and expense that I would prefer to avoid if the above option proves to be viable. I am concerned, however, that not contesting and having the order revoked would leave me with a higher mountain to climb in the event that re-application becomes necessary. Your thoughts on how best to proceed would be greatly appreciated. In the meantime, I am requesting that the hearing currently scheduled for April 21 be continued to the second hearing date in June. Thanks in advance for your consideration.

Sincerely,

LYNX PETROLEUM CONSULTANTS, INC.



Larry R. Scott

Cc: Pete Domenici, Jr.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

April 14, 2005

Lynx Petroleum Consultants, Inc.  
P.O. Box 1708  
Hobbs, New Mexico 88241

Attention: Mr. Larry R. Scott

Faxed 4/14/2005 to (505) 392-7886

Dear Mr. Scott:

I have received and reviewed your letter dated April 11, 2005. I am reluctant to offer any advice on how to proceed in this matter because ultimately, I may be the examiner appointed to hear this case. You may want to consider consulting with an attorney here in Santa Fe that is familiar with Division policies and procedures.

With regards to your request to continue the case until June 16, 2005, I am currently seeking input from Ms. Gail MacQuesten, the Division attorney. I will advise you sometime on Monday as to my decision.

Sincerely,

A handwritten signature in cursive script that reads "David Catanach".

David Catanach  
Engineer/Examiner

Xc: Ms. Gail MacQuesten