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August 14, 2006

HAND-DELIVERED

Mark Fesmire, Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico

2006 AUG 15 PM 3 39

Re: ***Case No. 13594 (Order No. 12459): Re-opened and Re-advertised. Application of Kaiser-Francis Oil Company To Amend Administrative Order NSL-5133 To Establish A Non-Standard Spacing and Proration Unit and for an Exception to Rule 104(B)(1), Eddy County, New Mexico***

Dear Mr. Fesmire:

On behalf of the Applicant, we request that this matter be re-opened and re-advertised for hearing at the September 14, 2006 examiner hearing docket. Following the issuance of Order No. R-12459, it was determined that an additional interest owner was not notified of the original hearing.

Enclosed for filing are an original and one copy of our Motion To Re-open which explains in fuller detail the reasons for re-opening this matter. Also enclosed is a proposed draft advertisement in hard-copy and on disk.

Thank you for your assistance.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosures

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

IN THE MATTER OF THE APPLICATION OF
KAISER-FRANCIS OIL COMPANY TO AMEND
ADMINISTRATIVE ORDER NSL-5133 TO ESTABLISH
A NONSTANDARD SPACING AND PRORATION UNIT
AND FOR AN EXCEPTION TO RULE 104(B)(1),
EDDY COUNTY, NEW MEXICO

2006 AUG 15
CASE NO. 13594
ORDER NO. 1459

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MOTION TO RE-OPEN

1. The original Application in this matter seeking approval for an unorthodox location for a Bone Spring formation well was filed with the Division on October 14, 2005. Notice was provided to all interest owners in the W/2 of Section 11, T-22-S, R-26-E, NMPM, Eddy County on October 20, 2005. Included among the interest owners receiving notice was Hayes Land Corporation of Midland Texas. A hearing was mandated in this case only by virtue of a provision in Division Administrative Order NSL-5133 which previously approved an unorthodox location for the Morrow formation, but required a hearing to include any other formation.
2. A hearing on the Application was held before Examiner Catanach on November 17, 2005. No other party entered an appearance at the time of the hearing and no objection to the relief requested in the Application was received by the Division or by the Applicant.
3. On December 1, 2005, the Division entered Order No. R-12459 approving of Applicant's unorthodox well location and finding further that the request to establish a non-standard unit would be unnecessary.

4. Recently, it was learned that Hayes Land and Production Corporation, an additional interest owner in the W/2 of Section 11, was not notified. As a consequence, it will be necessary to re-open the case, provide notice to Hayes Land and Production Corporation and afford that interest owner with an opportunity to present its objections to the unorthodox well location.

WHEREFORE, Applicant requests that this matter be re-opened and set for hearing before one of the Division's examiners on September 14, 2006.

Respectfully submitted,

By: 7. J. Scott Hall
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 13 day of August 2006, as follows:

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7. J. Scott Hall
J. Scott Hall

Case No. 13594 (Order No. 12459): Re-opened and Re-advertised. Application of Kaiser-Francis Oil Company To Amend Administrative Order NSL-5133 To Establish A Non-Standard Spacing and Proration Unit and for an Exception to Rule 104(B)(1), Eddy County, New Mexico. Applicant seeks the amendment of Administrative Order NSL-5133 to establish an 80-acre nonstandard spacing and proration unit consisting of the SW/NW and NW/SW of Section 11, T-22-S R-26-E NMPM, Eddy County, New Mexico and for an exception to Rule 104(B)(1) for the completion of: its Mesa Grande "11" Well No. 2 in the Bone Spring and Delaware formations drilled at an unorthodox oil well location 2661' FSL and 660' FWL (Unit L) of Section 11. The subject lands and well are located approximately ½ mile southwest of Carlsbad, New Mexico.