



September 30, 2008

HAND-DELIVERED

Case 14199

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Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Dan A. Hughes Company, L.P. for approval of a Unit Agreement, Hidalgo County, New Mexico

Dear Mr. Fesmire:

Enclosed is the Application of Dan A. Hughes Company, L.P. for approval of a Unit Agreement as well as a copy of a legal advertisement. Dan A. Hughes requests that this matter be advertised for the October 30, 2008 Examiner Hearing docket.

Sincerely,

William F. Carr
William F. Carr

Enclosures

cc: Mr. Robert Holder

*Also
See similar
Case 14022
R-12841*

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

APPLICATION OF DAN A. HUGHES COMPANY, L.P. FOR APPROVAL OF A UNIT AGREEMENT, HIDALGO COUNTY, NEW MEXICO.

CASE NO. 14199

APPLICATION

DAN A. HUGHES COMPANY, L.P. ("Hughes"), through its undersigned attorneys, hereby makes application for an order approving its North Big Hatchet Exploratory Unit and in support of this application states:

1. The proposed Unit Area consists of 39,667.69 acres, more or less, of State of New Mexico and Fee lands, situated in Hidalgo County, New Mexico. (Robert : This number includes 38,547.69 acres – Dan A. Hughes Company and Ft. Worth Operating Company and 1120 acres to be leased from Pacific Western). The horizontal limits of said unit are described as follows:

Township 30 South, Range 16 West, N.M.P.M.

Section 6:	All
Section 7:	E/2, SW/4
Sections 8 and 9:	All
Sections 17:	All
Section 18:	N/2, SW/4
Section 19:	All
Section 21 :	All
Sections 28 and 29:	All
Section 30:	SW/4 SW/4
Section 31:	N/2, SW/4, N/2SE/4
Section 34:	W/2

*See Order
For actual acreage*

Township 30 South, Range 17 West, N.M.P.M.

Section 1:	E/2, S/2 SW/4, NE/4SW/4
Sections 2 and 3:	All
Sections 10 through 12:	All
Section 13:	W/2

Sections 14 and 15:	All
Sections 22 and 23:	All
Section 24:	S/2, NW/4
Sections 25 through 27:	All
Sections 34 through 36:	All

Township 31 South, Range 16 West, N.M.P.M.

Sections 3 through 10:	All
Section 15 and 16:	All
Section 17:	E/2 NW/4
Sections 18 through 22:	All
Section 29:	All
Section 30:	SW/4
Section 31:	W/2
Section 32:	All

Township 31 South, Range 17 West, N.M.P.M.

Section 1 and 2:	All
Sections 10 through 15:	All
Sections 22 through 26:	All
Section 27:	N/2
Section 34:	N/2
Sections 35 and 36:	All

See actual order

Township 32 South, Range 16 West, N.M.P.M.

Section 6:	NW/4
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Township 32 South, Range 17 West, N.M.P.M.

Section 1:	NE/4 NE/4
Section 2:	All
Section 3:	NE/4 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, Dan A. Hughes Company, L.P., is designated as Unit Operator in said Unit Agreement and all oil and gas in all formations are unitized.

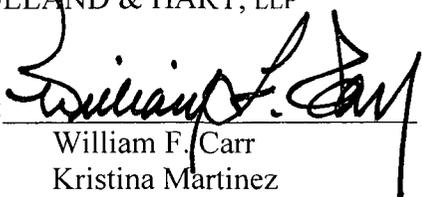
4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

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, Dan A. Hughes Company, L.P. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 30, 2008, that notice be given as required by law and the rules of the Division, and that the North Big Hatchet Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Carr
Kristina Martinez
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR
DAN A. HUGHES COMPANY, L.P.

CASE NO. 14199:

Application of Dan A. Hughes Company, L.P. for approval of a Unit Agreement, Hidalgo County, New Mexico. Applicant seeks approval of the North Big Hatchet Unit for an area comprising 42,107.69 acres of State of New Mexico and Fee lands in portions of Townships 30, 31, and 32 South, Ranges 16 and 17 West, NMPM, which is located north of the United States–Mexico border approximately 15 miles Southwest of Hachita, New Mexico.