



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

April 21, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
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Mr. Ernest L. Padilla
Attorney at Law
P. O. Box 2523
Santa Fe, New Mexico 87501

Re: Case No. 7742
Order No. R-7176
Overland Energy, Inc.

Dear Mr. Padilla:

As authorized in the above referenced Order No. R-7176,
the time for commencing the drilling of a well on the
lands pooled by said order is hereby extended to July 1,
1983.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

First Northern Plaza
P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

April 14, 1983

HAND-DELIVERED

Joe D. Ramey, Director
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Order No. R-7176; Case No. 7742, Overland Energy, Inc.

Dear Mr. Ramey:

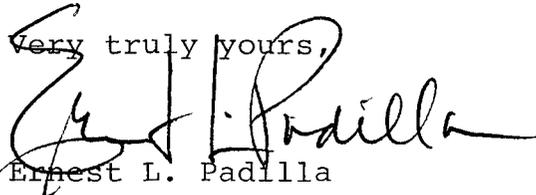
The purpose of this letter is to request an extension of time to commence drilling of a well on the lands pooled by the above referenced order. The order provides that the operator shall commence the drilling of a well on the proration unit on or before May 1, 1983. The operator of the well now seeks an extension of 45 days within which to commence drilling of a well to test the Gallup formation.

The reasons for seeking an extension are that the operator only recently consummated the necessary financial arrangements for drilling the well. In addition, the operator would obviously want to give the non-consenting parties under the order at least 30 days within which to submit their proportionate well costs after an AFE has been provided to them. As it stands now, there are obviously less than 30 days within which to commence a well much less give the non-consenting parties 30 days to adequately make a decision as to whether they would participate in the well.

Obviously, a 45 day extension might provide more than sufficient time to give the 30 day notice. However, we would request the additional time afforded by the 45 day extension for precautionary purposes.

Thank you very much for your consideration of this matter.

Very truly yours,


Ernest L. Padilla

ELP/bv

cc: Overland Energy, Inc.