

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

JASON KELLAHIN (RETIRED 1991)

March 12, 1997

TO: ALL INTERESTED PARTIES ENTITLED TO NOTICE
OF THE HEARING OF THE FOLLOWING NEW MEXICO
OIL CONSERVATION DIVISION CASE:

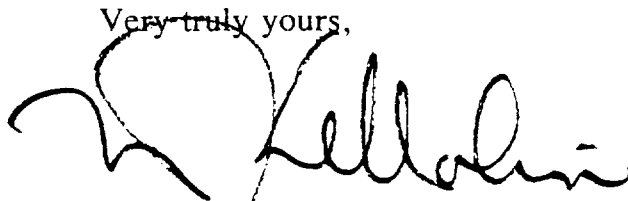
*Re: First Amended Application of Fasken Oil
and Ranch, Ltd. for an Unorthodox Gas
Well Location and a Non-Standard Gas
Proration and Spacing unit, Eddy County,
New Mexico*

On behalf of Fasken Oil and Ranch, Ltd., please find enclosed our first amended application for an unorthodox gas well location and a non-standard gas spacing and proration unit for its Avalon "1" Federal Com Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for April 3, 1997. The hearing will be held at the Division hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, March 28, 1997, with a copy delivered to the undersigned. If you have any questions, you may call Sally Kvasnicka of Fasken Oil and Ranch, Ltd. at (915) 687-1777.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

Adobe Resources 12-1 P. O. Box 118 Santa Barbara, CA 93102	M.J. Harvey, Jr. Box 12705 Dallas, Texas 75225	✓ Texaco Exploration & Production, Inc. 500 North Loraine Midland, Texas 79701 Attn: Ron Lanning
Adobe Resources P. O. Box 20581 Albuquerque, New Mexico 87154	Robert L. Haynie 5644 S. Yosemite #305 Englewood, CA 80111	✓ Texaco Box 2100 Denver, Colorado 80201
✓ BK Exploration, Inc. 810 S. Cincinnati Suite 110 Tulsa, OK 74119	ICA Energy, Inc. C/O Minerals Technologies, Inc, Box 5823 Midland, Texas 79704	Union Oil Company of California Box 3100 Midland, Texas 79701
Brooks Oil and Gas Interests 600 Commerce Street 192 District Court Dallas, Texas 75202	✓ Dalton Kincheloe 859 Petroleum Bldg. Roswell, NM 88201	Union Oil Company of California P. O. Box 4551 Houston, Texas 77210
Bureau of Land Management 1717 West Second Street Roswell, New Mexico 88201	Marathon Oil Company P. O. Box 552 Midland, Texas 79702	
Chevron USA, Inc. P. O. Box 1150 Midland, Texas 79702	Matador Petroleum Corporation 415 Wall Street, Suite 101 Midland, Texas 79701 Attn: Mona Ables	
✓ Commissioner of Public Lands P. O. Box 1148 Santa Fe, New Mexico 87504-1148	Len Mayer 260 Lincoln Tower Bldg. Denver, Colorado 80203	
Devon Energy Corporation (Nevada) Suite 1500 20 North Broadway Oklahoma City, OK 73102	Roy L. McKay P. O. Box 2014 Roswell, New Mexico 88202	
Greenwade Oil, Ltd. P. O. Box 1675 Roswell, New Mexico 88202	✓ McKay Oil Corporation P. O. Box 2014 Roswell, New Mexico 88202	
✓ Hanesco Inc. Box 2588 Roswell, NM 88202	Mewbourne Oil Company 500 W. Texas, Suite 1020 Midland, Texas 79701 Attn: Steve Cobb	
✓ Barbara D. Hannifin Box 182 Roswell, NM 88202	✓ Ralph Nix, a Partnership P. O. Box 440 Artesia, New Mexico 88211	
✓ Robert H. Hannifin Box 216 Roswell, NM	Penwell Energy, Inc. Suite 1100600 North Marienfeld Midland, Texas 79701 Attn: Mark Wheeler	

SENIOR Fasken Avalon "1" April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number P551 048 332

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery 3-17-97

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name) LARRY BROWN

Signature: (Addressee or Agent) [Signature]

Article Addressed to: Devon Energy Corp. (Nevada) Suite 1500 10 North Broadway Oklahoma City, OK 73102

PS Form 3811, December 1994

SENIOR Fasken Avalon "1" April 3, 1997

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number P551 048 345

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery MAR 17 1997

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name)

Signature: (Addressee or Agent) [Signature]

Article Addressed to: Union Oil Company of California P.O. Box 4551 Houston, TX 77210

PS Form 3811, December 1994

Fasken Avalon "1" April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number P551 048 335

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery MAR 17 1997

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name)

Signature: (Addressee or Agent) [Signature]

Article Addressed to: Greenwade Oil Ltd. P.O. Box 1675 Roswell, NM 88202

PS Form 3811, December 1994

SENIOR Fasken Avalon "1" April 3, 1997

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

4a. Article Number P551 048 349

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery 3/24/97

8. Addressee's Address (Only if requested and fee is paid)

Received By: (Print Name)

Signature: (Addressee or Agent) [Signature]

Article Addressed to: Robert L. Haynie 5644 S. Yosemite #305 Englewood, CA 80111

PS Form 3811, December 1994

SENDER:

SEN Fasken Avalon "1"
April 3, 1997 3/11/97

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Marathon Oil Company
P.O. Box 552
Midland, TX 79702

4a. Article Number

P 551 048 362

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAR 17 1997

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

SEN Fasken Avalon "1"
April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

M.J. Harvey Jr.
Box 12705
Dallas, TX 75225

4a. Article Number

P 551 048 350

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

3-17-97

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

SEN Fasken Avalon "1"
April 3, 1997

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

Union Oil Company of
California
Box 3100
Midland, TX 79701

4a. Article Number

P 551 048 344

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

MAR 17 1997

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

SEN Fasken Avalon "1"
April 3, 1997

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

ICA Energy, Inc.
C/O Minerals Technologies,
Inc.
Box 5823
Midland, TX 79704

4a. Article Number

P 551 048 342

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

3-17-97

5. Received By: (Print Name)

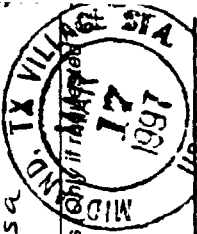
6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.



Is your RETURN ADDRESS completed on the reverse side?

SENDER:
Fasken Avalon "1"
April 3, 1997 3/11/97

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

4a. Article Number
P 551 048 367

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery
3-14

8. Addressee's Address (Only if requested and fee is paid)

3. Article Addressed to:
Exploration, Inc.
100 S. Cincinnati
Suite 110
Midland, OK 74119

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X B Bunker

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SENDER:
Fasken Avalon "1"
April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

4a. Article Number
P 080 234 420

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery
3-14-97

8. Addressee's Address (Only if requested and fee is paid)

3. Article Addressed to:
Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701
Attn: Steve Cobb

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
X Bunker

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SENDER:
Fasken Avalon "1"
April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

4a. Article Number
P 551 048 338

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery
3-14-97

8. Addressee's Address (Only if requested and fee is paid)

3. Article Addressed to:
Penwell Energy, Inc.
Suite 1100
600 North Marienfeld
Midland, TX 79701
Attn: Mark Wheeler

5. Received By: (Print Name)
Laura Penwell

6. Signature: (Addressee or Agent)
Laura Penwell

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SENDER:
Fasken Avalon "1"
April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):
1. ☐ Addressee's Address
2. ☐ Restricted Delivery
Consult postmaster for fee.

4a. Article Number
P 080 234 421

4b. Service Type
☐ Registered ☐ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery
3-14-97

8. Addressee's Address (Only if requested and fee is paid)

3. Article Addressed to:
Matador Petroleum Corp.
415 Wall Street, Suite 101
Midland, TX 79701
Attn: Mona Ables

5. Received By: (Print Name)
PATTI LANKFORD

6. Signature: (Addressee or Agent)
X Patti Lankford

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Chevron USA, Inc. P.O. Box 1150 Midland, TX 79702

4a. Article Number: P 551 048 351

4b. Service Type: ☐ Registered ☐ Express Mail ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery: MAR 14 1997

8. Addressee's Address (Only if requested and fee is paid):

5. Received By: (Print Name):

6. Signature: (Addressee or Agent):

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Texaco Box 2100 Denver, CO 80201

4a. Article Number: P 551 048 346

4b. Service Type: ☐ Registered ☐ Express Mail ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery: 1667

8. Addressee's Address (Only if requested and fee is paid):

5. Received By: (Print Name):

6. Signature: (Addressee or Agent):

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Commissioner of Public Lands P.O. Box 1148 Santa Fe, NM 87504-1148

4a. Article Number: P 551 048 334

4b. Service Type: ☐ Registered ☐ Express Mail ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery: MAR 14 1997

8. Addressee's Address (Only if requested and fee is paid):

5. Received By: (Print Name):

6. Signature: (Addressee or Agent):

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997 3/11/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Hanesco Inc. Box 2588 Roswell, NM 88202

4a. Article Number: P 551 048 365

4b. Service Type: ☐ Registered ☐ Express Mail ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery: 3/14/97

8. Addressee's Address (Only if requested and fee is paid):

5. Received By: (Print Name):

6. Signature: (Addressee or Agent):

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Roy L. McKay P.O. Box 2014 Roswell, NM 88202

4a. Article Number P 080 234 422

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery NM 14 MAR 1997

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent) X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Ralph Nix, a Partnership P.O. Box 440 Artesia, NM 88211

4a. Article Number P 551 048 336

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent) X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997 3/4/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: McKay Oil Corporation P.O. Box 2014 Roswell, NM 88202

4a. Article Number P 080 234 423

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery NM 14 MAR 1997

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent) X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

SENDER: Fasken Avalon "1" April 3, 1997 3/11/97

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Barbara D. Hannifin Box 182 Roswell, NM 88202

4a. Article Number P 551 048 363

4b. Service Type

☐ Registered ☐ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery 3/14/97

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature: (Addressee or Agent) X [Signature]

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SE Fasken Avalon "1"
April 3, 1997 3/4/97

I can return this	I also wish to receive the following services (for an extra fee):
1. ☐ Registered	1. ☐ Addressee's Address
2. ☐ Express Mail	2. ☐ Restricted Delivery
3. ☐ Return Receipt for Merchandise	Consult postmaster for fee.
4. Date of Delivery	
5. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent)	
7. Received By: (Print Name)	

PS Form 3811, December 1994

Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

SEN Fasken Avalon "1"
April 3, 1997 3/4/97

I can return this	I also wish to receive the following services (for an extra fee):
1. ☐ Registered	1. ☐ Addressee's Address
2. ☐ Express Mail	2. ☐ Restricted Delivery
3. ☐ Return Receipt for Merchandise	Consult postmaster for fee.
4. Date of Delivery	
5. Addressee's Address (Only if requested and fee is paid)	
6. Signature: (Addressee or Agent)	
7. Received By: (Print Name)	

PS Form 3811, December 1994

Domestic Return Receipt

P 551 048 353

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided
Adobe Resources
P.O. 20581
Albuquerque, NM 87154

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

Fasken Avalon "1"
April 3, 1997

P 551 048 364

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided
Dalton Kincheloe
859 Petroleum Bldg.
Roswell, NM 88201

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

Fasken Avalon "1"
April 3, 1997 3/11/97

P 551 048 352

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided
Brooks Oil & Gas Interests
600 Commerce Street
192 District Court
Dallas, TX 75202

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

Fasken Avalon "1"
April 3, 1997

P 551 048 347

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail (See reverse)
Len Mayer
260 Lincoln Tower Bldg.
Denver, CO 80203

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

Fasken Avalon "1"
April 3, 1997

P 551 048 366

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided
Do not use for International Mail (See reverse)
Robert H. Hannifin
Box 216
Roswell, NM 88202

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

Fasken Avalon "1"
April 3, 1997 3/11/97

P 551 048 337

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided
Texaco Exploration
Production, Inc
500 North Loraine
Midland, TX 79701
Attn: Ron Lanning

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	

Fasken Avalon "1"
April 3, 1997 3/4/97