



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 25, 2001

Mr. William F. Carr
Holland & Hart, LLP
P.O.Box 2208
Santa Fe, NM 87504-2208

Mr. J. Scott Hall
Miller, Stratvert & Torgerson, P.A.
P.O.Box 1986
Santa Fe, NM 87504-1986

VIA FAXSIMILE and U.S. Mail

Re: **Case No. 12622**; Application of Nearburg Exploration Company for approval of a non-standard proration unit for its Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948)

Dear Mr. Carr and Mr. Hall:

The Division is concerned about this application because it presents a situation in which a well is producing that is not in compliance with existing proration orders.

Accordingly, we have determined that we will not entertain any further motions to continue the hearing set for Thursday, June 25, 2001 at 8:15 a.m. If the matter is not presented on that date, the Division will require that the referenced well be shut in until the issue of dedication thereto of an appropriate proration unit is resolved.

Should you have any questions, please feel free to contact me at 476-3450.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks".

David K. Brooks
Assistant General Counsel

CC: Lori Wrotenbery
Christopher J. Williams