



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

January 8, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Kaiser-Francis Oil Company
c/o **W. Thomas Kellahin**
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

RE: Administrative application on behalf of Chaparral Energy, Inc. for a location exception (application reference No. pKRV0-134550740) filed with the New Mexico Oil Conservation Division ("Division") on December 10, 2001 for its Crosby Deep Well No. 1 (API No. 30-025-23891) located at an unorthodox Devonian gas well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. The SW/4 of Section 28 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Crosby-Devonian Gas Pool (see Division Rule 104, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, and the Division Director's notice to all operators dated October 25, 1999).

Dear Mr. Kellahin:

Your objection filed on behalf of Kaiser-Francis Oil Company by letter dated December 27, 2001 to the subject application was received on December 27, 2001. Because of a previous objection filed by Pride Energy Company to this application on December 26, 2001, this matter has been set for hearing on the January 24, 2002 docket and assigned Case No. 12795.

Should you have any further questions concerning this matter, you should either contact Mr. James Bruce, Legal Counsel for Chaparral Energy, Inc. at (505) 982-2043 or the Division's legal staff in Santa Fe at (505) 476-3460.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division – Hobbs
James Bruce, Legal Counsel for Chaparral Energy, Inc. – Santa Fe
John W. Pride, Pride Energy Company – Tulsa, Oklahoma
File: Case No. 12795