



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

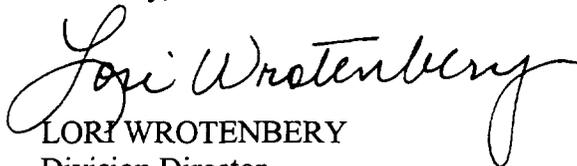
June 17, 2002

Mr. Tom Kellahin
Kellahin and Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Dear Mr. Kellahin:

Based upon the reasons stated in your letter of June 17, 2002, and in accordance with the provisions of Division Order No. R-11762, San Juan Resources, Inc. is hereby granted an extension of time until November 1, 2002, in which to commence drilling the well pooled by this order.

Sincerely,


LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12796
OCD - Aztec

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

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W. THOMAS KELLAHIN*

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

JASON KELLAHIN (RETIRED 1991)

June 17, 2002

Visa Facsimile and Hand Delivered

Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Request of San Juan Resources, Inc.
for Extension of Date for Commencement of Well
Pursuant to Compulsory Pooling Order R-11762
Case 12796 (Kaempf Well No. 1E)
S/2S Section 19, T30N, R11W, NMPM
San Juan County, New Mexico

Dear Ms. Wrotenbery:

On behalf of San Juan Resources, Inc. and in accordance with the provisions of the referenced order (copy enclosed), I am requesting a 90-day extension of the commencement date for this well to November 1, 2002 and in support state:

- (1) The order was entered effective April 17, 2002 and provides that this well shall be commenced on or before July 31, 2002;
- (2) George Taoka, a partner in certain wells drilled and operated San Juan Resources, signed a letter agreement in May, 2001 to farmout his interest in the spacing unit for the referenced well. Mr. Taoka died in December, 2001 and his successor is not honoring the letter agreement. San Juan Resources, Inc. is initiating suit in San Juan County, New Mexico over this matter.

CC JUN 17 PM 1:21

2002 JUN 17 PM 1:21

Oil Conservation Division

June 17, 2002

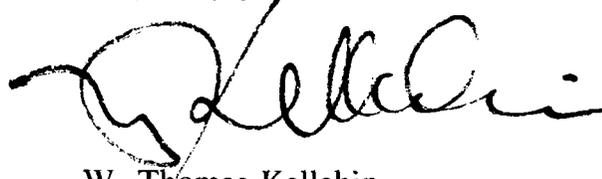
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(3) Do to this situation, San Juan Resources, Inc. request an extending of the spudding deadline for this well.

(4) An extension of the commencement date for this well will avoid the necessity of having to commence a new pooling case for this well.

Should you grant this extension, please issue me a letter which will authorize the requested extension. Should you decide to deny this request, I would appreciate being advised immediately so that San Juan Resources, Inc. can timely file to re-instate this pooling order which will otherwise expire.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written in a cursive style.

W. Thomas Kellahin

cc: David K. Brooks, Esq.
(NMOCD Hearing Examiner)
San Juan Resources, Inc.
Attn: Jerry McHugh, Jr.