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November 29, 1989

OF COUNSEL
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MACK EASLEY
JOE W. WOOD

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

*NOT LICENSED IN NEW MEXICO

Michael Stogner
Oil Conservation Division
State Land Office
Santa Fe, New Mexico 87503

HAND DELIVERED

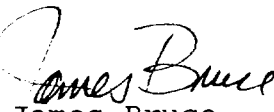
Re: **Application of Roberts and Hammack, Inc. for a Non-Standard Oil Proration Unit, Lea County, New Mexico (Case No. 9829)**

Dear Mr. Stogner:

Enclosed for inclusion in the record in the above matter are copies of the notice letters sent to offset operators (Exhibit No. 3 of Applicant's case).

Sincerely,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB:jr
Enclosures

ROBERTS & HAMMACK INC.

ONE ENERGY SQUARE
4925 GREENVILLE AVE. • SUITE 1260
DALLAS, TEXAS 75206-4018
(214) 369-6310

November 17, 1989

Mr. Mike Stogner
State of New Mexico
Oil & Gas Division
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

RE: November 29, 1989 Hearing for an 80-acre Non-Standard
Proration Unit, North Bagley Permo Penn Pool
LEA COUNTY, NEW MEXICO

Dear Mike:

As per our telephone conversation today, the Roberts & Hammack Inc. application for a non-standard proration unit hearing has been confirmed for November 29, 1989.

The Graham state #1 was to have been re-completed, but the Communitization Agreement K-5061 expired. Roberts & Hammack Inc. has placed the forty acres surrounding the Graham State #1, NE/4 SW/4 of Section 8-T11S-R33E, in the December public auction.

Roberts & Hammack Inc. has obtained a farmout from Union Pacific Resources Co. for the 160-acre SE/4 of Section 8-T11S-R33E. It is our intention to purchase the forty acres surrounding the Graham State #1 and to combine the NW/4 SE/4 for the 80-acre non-standard proration unit.

Upon a successful workover of the Graham State #1 in the NE/4 SW/4 and the NW/4 SE/4, the 80 acres contained in the SE/4 SW/4 and the SW/4 SE/4 of Section 8 would then be submitted for a hearing to approve a non-standard proration unit for the Shea-Climenko #1.

Roberts & Hammack Inc. believes the formation of the non-standard proration unit will not affect any offset production. The MGF production in the N/2 of Section 8 is marginal and Roberts & Hammack Inc. will be the lessee of the S/2 of Section 8.

Case No. 9829
J. S.

P. 2 - Nov. 17, 1989
Mr. Mike Stogner - State of New Mexico
Re: 80-acre Non-Standard Proration Unit

The approval of the 80 acre non-standard proration unit will not only benefit Roberts & Hammack Inc. but the State of New Mexico.

If you have any questions, please call me.

Very truly yours,

ROBERTS & HAMMACK INC.

A handwritten signature in cursive script, appearing to read "John A. Gardere".

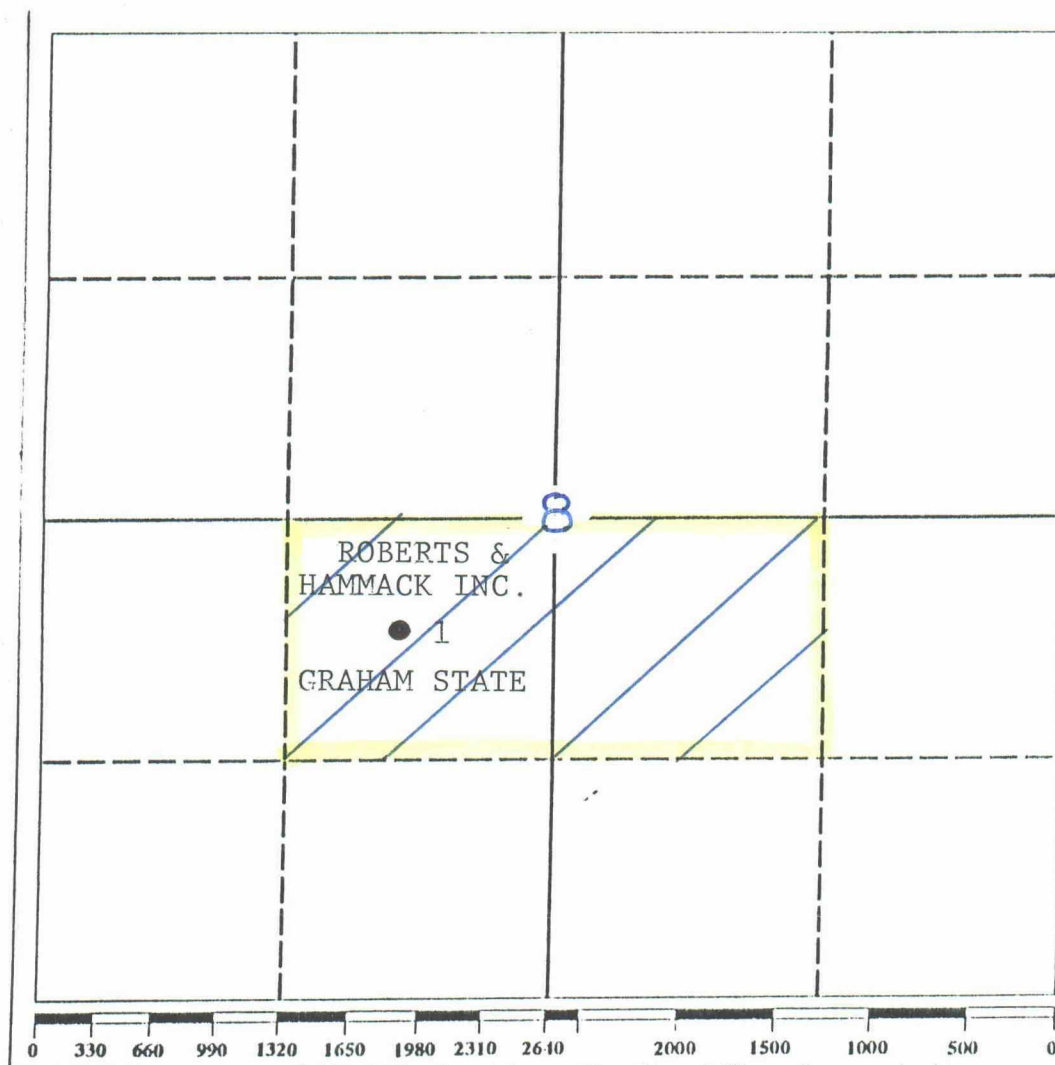
John A. Gardere
Field Representative

JAG:dlz

Attachment - Plat

CERTIFIED MAIL P 455 347 449

ROBERTS & HAMMACK INC.
NORTH BAGLEY PERMO PENN POOL
LEA COUNTY, NEW MEXICO



80 acres outlined for the
non-standard proration unit

Section 8, T11S, R33E
Lea County, New Mexico

DeGOLYER and MacNAUGHTON
One Energy Square
Dallas, Texas 75206

OIL CONSERVATION DIVISION
RECEIVED

Telephone
(214) 368-6391
Telex
73-0485
Cable: Demac

1989 NOV 20 AM 9 53

TELECOPY TRANSMITTAL INFORMATION

From: John A. Gardere, Roberts & Hammack Inc.
To: Mike Stogner, State of N.M. O&G Div., Santa
Fe, N.M.
Telefax No.: 505 827 5741
Date: 11-17-89
No. of Pages (including cover sheet) 4

PLEASE CONTACT US IF TRANSMITTAL IS NOT COMPLETE
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We are sending from: Xerox 495 (Automatic)
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MESSAGES:

Originals mailed 11-17-89