

DANIEL S. NUTTER

REGISTERED PETROLEUM ENGINEER

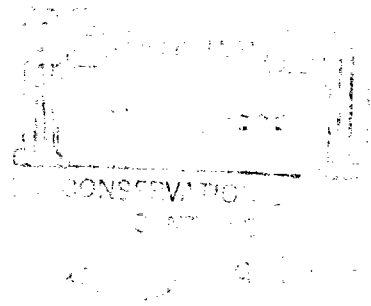
PETROLEUM CONSULTATION AND STATE AND FEDERAL REGULATORY SERVICES

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April 30, 1985



Mr. Richard L. Stamets, Director
Oil Conservation Division
New Mexico Energy and Minerals Department
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application For Hearing To Redelineate Certain Pool Boundaries,
Lea County, New Mexico

Dear Mr. Stamets:

This is the application of Wayne Newkumet for the redelineation of the boundaries of two certain oil pools in Lea County, New Mexico, as follows:

1. The contraction of the horizontal limits of the North Morton Permo-Penn Pool by the deletion therefrom of the following described lands:

Township 14 South, Range 34 South, NMPM

Section 25: S/2

Section 26: SE/4

Section 36: NW/4 N/2 (W/4)

2. The concomitant extension of the High Plains Permo-Penn Pool by the inclusion therein of the following described lands:

Township 14 South, Range 34 East, NMPM

Section 25: SW/4

Section 26: SE/4

Section 36: NW/4

At present there are three wells (all belonging to Elk Oil Company) located on the lands which would be reclassified from the North Morton pool to the High Plains pool. The locations of two of these wells would not be in compliance with the specified locations set forth in the Special Pool Rules for the High Plains Permo-Penn Pool, as promulgated by

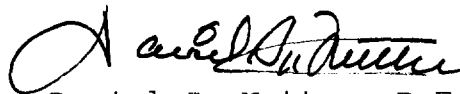
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Division Order No. R-2874, and we would anticipate that as in previous similar situations, these locations would automatically be grandfathered in as exceptions to the aforesaid rules upon the wells' transfer to the High Plains pool.

We believe that these three wells and the lands described above were placed in the North Morton pool in error, and will present evidence at the hearing which will show that they do indeed belong in the High Plains pool.

We respectfully request that this application be placed on the May 22, 1985, Examiner Hearing Docket. Thank you for your consideration in this matter.

Very truly yours,



Daniel S. Nutter, P.E.

DSN:ms

cc: Mr. Joseph J. Kelly, President
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