



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

February 27, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. Ernest L. Padilla
Padilla & Snyder
Attorneys at Law
Post Office Box 2523
Santa Fe, New Mexico

Re: CASE NO. 9867 and 9868
ORDER NO. R-9124

Applicant:
Mallon Oil Company and
George Mitchell d/b/a
G.P. II Energy, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other William F. Carr



G.P. II ENERGY, INC.

P.O. Box 50682
Midland, Texas 79710
(915) 684-4748

October 26, 1989

Mr. Joe Cox, Jr.
1099 18th Street, Suite 2750
Denver, Colorado 80202

RE: Amoco-Red Bluff #2 or
#3 Well
Section 28, T26S, R29E
Eddy County, New Mexico

Dear Joe:

Pursuant to our visit in Denver, enclosed please find the AFE which we discussed covering the captioned wells. If acceptable, please let me know at your earliest convenience.

Joe, as we discussed, I would like to operate the well coming up and would also like the opportunity to take over all of your operations in the New Mexico and West Texas areas. I would greatly appreciate a timely consideration on possibly working something out along these lines.

If you have any questions, please do not hesitate to call Terry or me at any time.

Sincerely yours,

George P. Mitchell, II

GPM:js
Enclosure