

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)

*NOT LICENSED IN NEW MEXICO

May 14, 1986

Mr. David Catanach
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

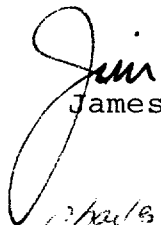
Re: Case No. 8887; Application of Newstar
Resources, Inc. for an oil treating
plant permit, Lea County.

Dear David:

My client, Newstar Resources, is very anxious to begin construction of its plant. Therefore, your prompt attention to this case would be greatly appreciated.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB: jr

Charles Schwab
Att
393-6096
Robert



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

June 20, 1986

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Mr. James G. Bruce
Attorney at Law
Hinkle Law Firm
P. O. Box 2068
Santa Fe, N.M. 87501

Re: CASE NO. 8887
ORDER NO. R-8240

Applicant:

Newstar Resources, Inc.

Dear Sir:

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

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other X

HINKLE, COX, EATON, COFFIELD & HENSLEY

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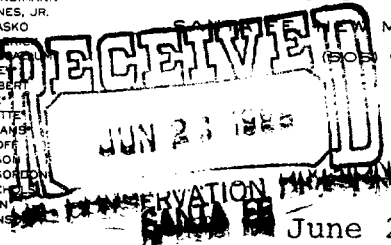
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June 25, 1986

Case 8887 File

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*NOT LICENSED IN NEW MEXICO

Mr. R. L. Stamets
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: OCD Order No. R-8240 (Newstar Resources, Inc.)

Dear Mr. Stamets:

Newstar Resources, Inc. has received the above order and will of course comply with its terms. One item, however, needs clarification. Finding No. (3) states that the plant's initial capacity is approximately 600 barrels per day. This is correct, but, depending on plant efficiency, the initial capacity may be slightly higher or lower than 600 barrels per day. Newstar Resource intends to operate initially at the actual plant capacity, whatever that that may be (e.g., 500, 600, or 700 barrels per day).

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

James Bruce
James Bruce

JGB:jr

cc: Charles Schwab