

OIL CONSERVATION
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December 20, 1996

VIA FACSIMILE TRANSMISSION

505/827-8177

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

Re: Protest to Application of Mewbourne Oil Company for
Administrative Approval of Unorthodox Well Location for
the Scanlon Draw "35" State No. 1 Well, 660' FSL 1980' FWL
of Section 35, T-18-S, R-28-E, N.M.P.M., Eddy County, New
Mexico

Dear Sir:

This is to notify you that we are filing a protest on behalf of Bass Enterprises Production Co. ("Bass") and Santa Fe Energy Company ("Santa Fe") to the application for administrative approval of the captioned well. Bass is the operator of and a leasehold owner in a Morrow well located in the E/2 of Section 2, Township 19 South, Range 28 East. Santa Fe is a leasehold owner in the proration unit for the same well.

The grounds for this protest are that the location requested would adversely impact the correlative rights of Bass and Santa Fe and would give the applicant an unfair advantage as to geologic location, permitting Mewbourne to produce gas from under the lands contained within the proration unit for protestants' well in violation of their correlative rights. The protestants further aver that the geology of the Morrow formation in this area is such that the applicant could drill a well at a legal location in the W/2 of Section 35 and obtain its fair share of production therefrom. The granting of this application would be in violation of the rules and regulations of the Division.

For the reasons set out above, Bass and Santa Fe do protest the administrative approval of the well location applied for and respectfully request that the Division set this matter for a hearing before an examiner on the first available hearing date.