



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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RECEIVED

September 1, 1989

SEP -5 '89

O. C. D.
ARTESIA, OFFICE

Mallon Oil Company
1099 18th Street
Suite 2750
Denver, CO 80202

Attention: Joe Cox

RE: NW/4 NE/4 (Unit B),
Section 28, T-26S, R-29E,
Eddy County.

Dear Mr. Cox:

Thank you for supplying us with the archeological report on your proposed Amoco Red Bluff Federal Well No. 3. This information will be included in your application filed with the N.M. Oil Conservation Division for an unorthodox oil well location in the proposed proration unit, pursuant to General Rule 104.F., at such time as it may be necessary to file with us.

Per my telephone conversation with you and Mr. Berry Hunt of the Bureau of Land Management in Carlsbad last week, it is my understanding that an alternate well site will be chosen to avoid the subject significant cultural site. Hopefully such a move will result in a standard location to the east; however, if an alternate location is unorthodox such an application will of course be entertained.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner
Petroleum Engineer

MES/ag

cc: US Bureau of Land Management - Carlsbad
Oil Conservation Division - Artesia ✓