From:	Stogner, Michael
Sent:	Tuesday, January 14, 2003-12:31 PM
То:	'Bonnie Husband'
Cc:	Williams, Chris; Mull, Donna; Jones, William V; Wrotenbery, Lori; Ezeanyim, Richard; 'William F. Carr (E-mail)'
Subject	: Saga's three pending unorthodox well locations.

RE:

#### (1) Conoco Well No. 3 (administrative application reference No. pKRV0-235835106):

It is my understanding that the required notification under Division Rule 1207.A (2) has been provided to all of the appropriate "affected parties" [for definition see Rule 1207.A (2) (a)]. I will be expecting the supplemental data I requested by my letter of December 27, 2002. Upon its arrival I will resume processing your application of December 23, 2002.

#### (2) State Land Section "32" Well No. 9 (API No. 30-025-23309):

Please submit a formal application to me here in Santa Fe, pursuant to Division Rules 104.F and 1207.A (2), an exception to Division Rule 104.C (3) for the Tubb wildcat gas production from this well within seven days in order to avoid a shut-in order.

# (3) <u>State Land Section "32" Well No. 10 (to be drilled 2223' FSL & 860' FEL-I-Sec. 32-T18S-R38E)</u>:

Upon receipt of your application (mailed on January 14<sup>th</sup>) for an unorthodox oil well location in the Hobbs-Drinkard Pool within a proposed standard 80-acre stand-up oil spacing and proration unit comprising the E/2 SE/4 of Section 32, I will commence its review accordingly.

-----Original Message----- **From:** Bonnie Husband [mailto:bhusband@sagapetroleum.com] **Sent:** Tuesday, January 14, 2003 9:53 AM **To:** Stogner, Michael **Subject:** State Land Sec. 32 #10 well NSL

Have mailed letters to Offset operators on NSL Tubb completion Conoco State #3 well. No paperwork filed regarding NSL Tubbb completion State Land Sec. 32 #9 well. This was before my time @ Saga, do not know if anyone @ Saga was notified that this was NSL at that time, however will followup w/NSL letters to offset operators ASAP.

<attachment>

January 14, 2003

Michael E Stogner

via email mstogner@state.nm.us

Chief Hearing Officer/Engineer **Oil Conservation Division** 1220 South St. Francis Drive Santa Fe, NM 87505

Re: **Application to Drill NSL** State Land Sec. 32 #10 Well 2223' FSL & 860' FEL Sec. 32 (I), T18S, R38E Lea County, NM

Dear Mr. Stogner:

Please accept my apology for all the confusion with the original filing of the referenced NSL well. I had originally called the Hobbs office about required paperwork with a NSL, any changes, new requirements, etc.; either I didn't make my self clear or misunderstood the instructions. The Application to Drill paperwork was only filed with the District and not Santa Fe, as I understood someone to say, the District handled NSL's and forwarded to Santa Fe; if no protests were received from offset operators in 30days, etc. Santa Fe assigned a NSL number. Your office did not mishandle or misplace the application.

Saga's geological staff proposed the NSL because the #8 well completed in the Bowers 7 Rivers Pool is in the ¼¼ section and at sometime this SI well could be recompleted/deepened to the Queen. Geological memos enclosed. The well was moved to the northwest because of surface obstructions, power line and a Duke Energy gas pipeline. See enclosed plat/drawing.

Letters mailed to offset operators on October 2, 2002. Apache & Brothers Production returned "No Objection Letter", no response from Oxy Permian's Eden Settegast in the Houston office. Offset operator list enclosed.

Your prompt consideration of Saga's request for administrative approval to drill the State Land Section 32 #10 well at a NSL is respectfully submitted.

Yours very truly,

Bonnie Husband **Production Analyst** 

Enclosures - mailed Jan 14, 2003

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January 14, 2003

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via email mstogner@state.nm.us

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Enclosures - mailed Jan 14, 2003

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From: Sto	gner, N	<b>Aichael</b>
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Sent: Wednesday, January 08, 2003 7:23 PM

To: 'Bonnie Husband'

Cc: Williams, Chris; Mull, Donna; Jones, William V; Wrotenbery, Lori; Ezeanyim, Richard; William F. Carr (E-mail)

Subject: RE: NSL State Land Sec 32 #10

After your last e-mail message I've reviewed the Division's files concerning the existing and currently producing State Land Section "32" Well No. 9 (API No. 30-025-23309) in Unit "J" of Sec. 32, which will be a separate issue. First lets look closer at your proposed No. 10 well:

(1) the definition of an "infill well" is an additional well within an existing spacing/proration unit. From your response and my review of the Division's records I find that the No. 9 well in Unit "J" has a stand-up 80-acre unit comprising the W/2 SE/4 of Sec. 32 dedicated to the Undesignated Hobbs-Drinkard Pool. Therefore, the No. 10 well is to be in a stand-up 80-acre unit comprising the E/2 SE/4 of Sec. 32 in which there is currently no other Drinkard oil well. Are these statements correct?

(2) You did not answer my question about the "cover letter" from Oct. 2002 from Saga to the Santa Fe office of the Division requesting an exception to Rule 4 of the special rules governing the Hobbs-Drinkard Pool, as required under Division Rule 104.F. Did you submit this request to Santa Fe at that time? If so I need a copy of that submittal.

(3) You stated that the NSL was a "geological decision". Did your Oct. request provide the necessary technical explanation and supporting data (i.e. - geological maps, seismic data, isopac maps, cross-sections, ect.)? This is the required information that is needed for me to continue my review of this application.

I am currently treating this matter as a possible misplacement of a properly filed application, which I view as an error committed by this office. I am wondering however are you viewing your October filing of the APD, which is dated October 2, 2002, and Form C-102 for this well with the Hobbs District Office of the Division as a simultaneous request for an "unorthodox oil well location" under Division Rule 104.F?

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Now about the State Land Section "32" Well No. 9 located 2130' FSL & 1980' FEL, which was the subject of Adm. Order DHC-3085, dated 12-3-2002. I understand that this well is currently dually completed (i) as an oil well, at a standard location within the aforementioned W/2 SE/4 80-acre unit, in the Hobbs-Drinkard Pool and (ii) a "gas" well in the Tubb wildcat formation. My records show that the Tubb has been producing gas since Feb. 2001 and that the SE/4 of Section 32, being a standard 160-acre gas spacing unit as provided under Division Rule 104.C (3), is dedicated to this production. A C-105 filed by you on March 5, 2002 shows a Tubb gas delivery and gas connection date of Dec. 31, 1997. After doing an extensive search, I however can not find where Saga was granted a location exception for the No. 9 well for this gas production [see also Rule 104.C (3)]. Would you please provide me with the Division Order number authorizing this unorthodox Tubb gas well location. Thank you for your cooperation.

-----Original Message-----From: Bonnie Husband [mailto:bhusband@sagapetroleum.com] Sent: Wednesday, January 08, 2003 3:06 PM To: Stogner, Michael Subject: Re: NSL State Land Sec 32 #10

Stand up 80-acre - Infill to Saga's State Land Sec 32 #9 well API 30-025-23309), dually completed from Tubb & Drinkard zones. #9 well located in Unit letter J, Sec. 32. DHC permit has been received recently, but commingling work not done yet. NSL (not center of 1/4 1/4 section) was a geological decision, no other reason that I am aware of.

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Also the faxed copy of the C-102 was too light and does not reflect the 80-acre unit. Will it be a stand-up or lay-down 80. Is this an infill well to an existing unit? If so what other Saga well (s) is included. Thanks.

-----Original Message-----From: Bonnie Husband [mailto:bhusband@sagapetroleum.com] Sent: Wednesday, January 08, 2003 2:07 PM To: Stogner, Michael Subject: Re: NSL State Land Sec 32 #10

faxing 7 pages now

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Ms. Husband,

I have reviewed the Division's files and talked with Wil Jones and others but, I'm sorry to say, I find no record of such a filing received by this office. I apologize if we misplaced or mishandled it in anyway.

If you would please fax me a copy of this application and all of the support data I will give it priority status and review it immediately.

Please use the following fax number (505) 476-3471. Also, if you will e-mail me when you are ready to transmit this filing, I will wait for it.

If there are any problems, my telephone number is (505) 476-3465.

-----Original Message-----

From: Bonnie Husband [mailto:bhusband@sagapetroleum.com] Sent: Wednesday, January 08, 2003 11:48 AM To: mstogner@state.nm.us Subject: NSL State Land Sec 32 #10

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2223 FSL & 860 FEL, Sec 32 (I), T18S, R38E, Lea County, proposed 7000' Drinkard well

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Not a part of This ago!.

#### Stogner, Michael

From:Stogner, MichaelSent:Wednesday, January 08, 2003 5:09 PM

To: Wrotenbery, Lori

Cc: Ezeanyim, Richard

Subject: RE: NSL State Land Sec 32 #10

This is just the beginning. It's getting worse with ever e-mail from Saga. I'll keep you cc-ed.

-----Original Message-----From: Wrotenbery, Lori Sent: Wednesday, January 08, 2003 4:28 PM To: Stogner, Michael Subject: RE: NSL State Land Sec 32 #10

Nicely handled, Mike. Thanks.

-----Original Message----- **From:** Stogner, Michael **Sent:** Wednesday, January 08, 2003 2:28 PM **To:** 'Bonnie Husband' **Cc:** Ezeanyim, Richard; Jones, William V; Williams, Chris; Mull, Donna; Wrotenbery, Lori; William F. Carr (E-mail) **Subject:** RE: NSL State Land Sec 32 #10

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પ્	1/08/20	03 15:07 FAX	9156844285	. Sa	ga Petroleum /	
Į.	<u> </u>	3:07 PM	<u>9156844285</u> - www.time	setting	should be	2:07 pm

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Form C-101 Revised March 17, 1999

1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 2040 South Pacheco, Santa Fe, NM 87505

100 10000

District 1

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505

**Energy Minerals and Natural Resources** 

State of New Mexico

Fee Lease - 5 Copies

State Lease - 6 Copies

Submit to appropriate District Office

# APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

			Operator Name and	i Address				OGKID Number	148967
SAGA PETE 415 W. WAI MIDLAND	l, SUIT	E 1900					30-025-	<sup>3</sup> API Number	
<sup>4</sup> Propert	y Code		STATE LAND	SECTION 3	roperty Name			<sup>6</sup> Well 1	<sup>No.</sup> 10
				<sup>7</sup> Su	rface Locatio	n			
UL or lot no.	Section	Township	Range	Lot Idn	Foct from the	North/South line	Feet from the	East/West line	County
I	32	18S	38E		2223	SOUTH	860	EAST	LĒA

# <sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no. Section To	ownship Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
HOBBS DRINKARD	<sup>9</sup> Proposed Pool 1	L			<sup>10</sup> Propo	sed Pool 2	L

	11 Wark Type Code	12 Well Type Code	13 Cable/Rotary	14 Lease Type Code	15 Ground Level Elevation
1	NEW DRILL	0	R	STATE	3632'
	16 Multiple	17 Proposed Depth	18 Formation	19 Contractor	20 Spud Date
		7000	Drinkard	Not assigned	ASAP

#### <sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Coment	Estimated TOC
12-1/4"	9-5/8"	36 & 40#	1550'	1400 sx	circ surf
7-7/8"	5-1/2"	14 & 15.5#	7000'	1000 sx	1400'
			•		

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Spud 12-1/4" hole, drl to 1550' & run 9-5/8" 36 & 40# J55 csg. Cmt w/1400 sx Class C + additives.

Circulate to surface. WOC 12 hrs.

Drl 7-7/8" hole to 7000', run 5-1/2" 14 & 15.5# J55 csg. Cmt w/1000 sx Class C + additives, estimated TOC 1400' No DST's planned.

BOP- Size 11", 3000 psi, Shaffer LWS Double, Annular: Hydril GK 10" x 3000 psi, Accumulator: 80 gal, 3000 psi, 5 valve

<sup>23</sup> I hereby certify that the information given above is true and complete to the	OIL CONSERVA	TION DIVISION
best of my knowledge and bester.	Approved by:	
Printed Name; Bonnie Husband	Title:	
Title: Production Analyst	Approval Date:	Expiration Date:
Date: 10/02/2002 Phone: (915)684-4293	Conditions of Approval:	
	Attached	

01/08/2003 15:07	FAX 9156	844285		Saga Petro	leum		2	002
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, ,								
DISTRICT I P.O. Bez 1980, Hobbs, MM 88941-19	20		Rhorgy, M	State of New Energie and Natural I		CON Submit	Revised February to Appropriate Dist	rict Office
DISTRICT II P.O. Drewer DD, Artania, HM 68211 DISTRICT III	-9719			P.O. Box 2	088 0 87504-2088		State Lease - Fee Lease -	
1000 Rio Brazos Ed., Arten, N DISTRICT IV P.O. BOX 2005, SANTA 75, M.M. 67	T	VELL LOC	ATION	AND ACREA	GE DEDICATI	······································	C AMENDED	REPORT
API Number			ol Code		HOBBS DRI	Pool Name NKARD		]
30-025- Property Code	<u>┌</u> b		1730	Property Nam			Well Num	iber
20363				STATE 32			10	
OGRID No. 148967			SAG	Operator Name A PETROLE			Elevatio 3632	1
	<u></u>			Surface Loca				
UL or lot No. Section 32	Township 18-S	Range 38-E	Lot Idn	Feet from the 2223	North/South line SOUTH	Feet from the 860	East/West line	County LEA
1 32	10-3			ند مسمور حدم م				
UL or lot No. Section	Township	Bottom I Range	Lot Idn	Yest from the	rent From Sur North/South line	Feet from the	East/West line	County
Dedicated Acres Joint	r Infill Co	nsolidation Co	ode Or	der No.				
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				! !		Signature	Bonnie Hus	
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		1		1	314.7	l Title Date	July 12, 2	002
		·+				SURVEYO	R CERTIFICAT	TON
		ļ		i	Q		that the sell locat is plotted from field made by me or	
					1980-6	correct to the	d that the same is a best of my belie	true and
				ļ	1480	Date Surveye	Y 22, 2002	AWB
						Signature &	Surveyer	
		1				Manule (	2.11 0365 L	3/02
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PI	Company	well name	well#	ID	prod fm.	FIELD	status	perfs
ec. 32, T18S, 1	R38E	· · · · · · · · · · · · · · · · · · ·	1					
	ALTURA ENERGY	N HOBBS UNIT	432		GBSA	HOBBS	INJ	
3002507515	ALTURA ENERGY	N HOBBS UNIT	311	4160	GBSA	HOBBS		
3002507518	ALTURA ENERGY	N HOBBS UNIT	322	4248	GBSA	HOBBS		4064-4249
3002507520	SHELL OIL (GULF)	N HOBBS UNIT	221	4290	GBSA	HOBBS		
3002507521	ALTURA ENERGY	N HOBBS UNIT	231	4230	GBSA	HOBBS		
3002507529	GULF OIL	WD GRIMES A	11	3169	7Rivers	BOWERS	P&A	
3002507533	ALTURA ENERGY	N HOBBS UNIT	241	4270	GBSA	HOBBS		4068-4082
3002507535	OHIO	STATE NORTHRUP	1	3661		1		
3002507536	ALTURA ENERGY	N HOBBS UNIT	441	4241	GBSA	HOBBS		
3002507537	ALTURA ENERGY	N HOBBS UNIT	431	4245	GBSA	HOBBS		
3002507538	ALTURA ENERGY	N HOBBS UNIT	331	4261	GBSA	HOBBS		4040-4240
3002507539	ALTURA ENERGY	N HOBBS UNIT	341	4236	GBSA	HOBBS		-
3002507540	SAGA	STATE LAND 32	6	3203	7Rivers	BOWERS		1
3002507541	SAGA	STATE LAND 32	7	3216	7Rivers	BOWERS		
3002507542	SAGA	STATE LAND 32	8	3202	7Rivers	BOWERS		
3002508409	ALTURA ENERGY	STATE A	5	3184				
3002512504	ALTURA ENERGY	STATE A	1	4175	QUEEN	BYERS	GAS	
3002512506	ALTURA ENERGY	N HOBBS UNIT	321	4290	GBSA	HOBBS	INJ	4084-4252
3002512507	ALTURA ENERGY	N HOBBS UNIT	421	4211	GBSA	HOBBS	Active	4046-4214
3002522944	Altura Energy	Shell State A	6	6021	Blinebry	Hobbs	Active	5805-5929
3002523035	Altura Energy	N HOBBS UNIT	232	6020	GBSA	Hobbs	Active	4082-4237
3002523116	Apache Corp.	State A	5	8044	Blinebry	Hobbs	Active	6674-6936
3002523130	Altura Energy	N HOBBS UNIT	424	7020	GBSA	Hobbs		4128-4244
3002523309		State Land Sec. 32	9	7002	blinebry	Hobbs	Active	5813-5968
3002526973	ALTURA ENERGY	N HOBBS UNIT	323	4400	GBSA	HOBBS	INJ	
	ALTURA ENERGY	N HOBBS UNIT	342		GBSA	HOBBS	INJ	4091-4283
3002529074	ALTURA ENERGY	N HOBBS UNIT	422	4370	GBSA	HOBBS	Active	
3002529173	ALTURA ENERGY	N HOBBS UNIT	332	4370	GBSA	HOBBS	Active	4069-4070
3002529198	ALTURA ENERGY	N HOBBS UNIT	423	4382	GBSA	HOBBS	INJ	
3002529906	ALTURA ENERGY	N HOBBS UNIT	343	4370	GBSA	HOBBS	Active	4141-4208
3002534374	ALTURA ENERGY	N HOBBS UNIT	531		GBSA	HOBBS	Active	4052-4233
3002534375	ALTURA ENERGY	N HOBBS UNIT	542	4600	GBSA	HOBBS	Active	1
3002534907	ALTURA ENERGY	N HOBBS UNIT	512	4600		HOBBS	Active	1
	ALTURA ENERGY	N HOBBS UNIT	541	4500	GBSA	HOBBS	1	1
3002535452	ALTURA ENERGY	N HOBBS UNIT	834	4500	GBSA	HOBBS	Active	

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	ALTURA ENERGY	N HOBBS UNIT	141		GBSA	HOBBS	lnj?	
the second s	ALTURA ENERGY	N HOBBS UNIT	131	and the second	GBSA	HOBBS	Inj?	
3002507545	ALTURA ENERGY	N HOBBS UNIT	231		GBSA	HOBBS	Inj	_
3002507549	CONTINENTAL	STATE A-33	8	3204		HOBBS	P&A?	
3002507550	CONTINENTAL	STATE A-33	9	3206		HOBBS	P&A?	
3002507559	ALTURA ENERGY	N HOBBS UNIT	121	4179	GBSA	HOBBS	Inj?	
3002507560	ALTURA ENERGY	N HOBBS UNIT	221	4242	GBSA	HOBBS	Inj?	
3002507563	STANOLIND	STATE G	4	3204		HOBBS	P&A?	
3002523195	Brother Prod. Co.	State A 33	12	7022	Drinkard	Hobbs	Active	6692-6694
3002523263	ALTURA ENERGY	N HOBBS UNIT	122	7049	GBSA	HOBBS	Active	
3002526834	ALTURA ENERGY	N HOBBS UNIT	232	4453	GBSA	HOBBS	Inj	1
3002528411	ALTURA ENERGY	N HOBBS UNIT	142	4370	GBSA	HOBBS	Inj	
3002534906	ALTURA ENERGY	N HOBBS UNIT	511	4600	GBSA	HOBBS	Active	1
3002534980	ALTURA ENERGY	N HOBBS UNIT	513	4500	GBSA	HOBBS	Active	1
3002535534	ALTURA ENERGY	N HOBBS UNIT	844	3634	GBSA	HOBBS	Active	
- <b>-</b>			++			+		
c. 5, T19S, R3							- <del> </del>	
3002507616	SUN	H D MCKINLEY	6	3210		BOWERS	1	1

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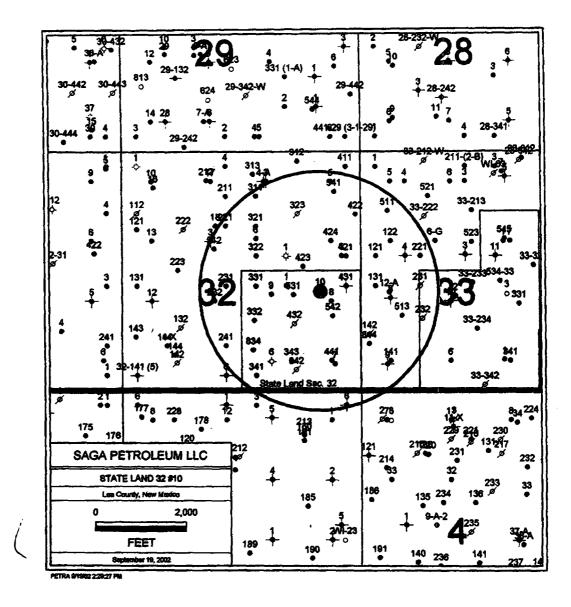
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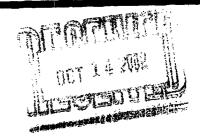
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October 2, 2002

Offset Operators



Re: State Land Section 32 #10 well 2223' FSL & 860' FEL Sec. 32 (I), T18S, R38E Lea County, New Mexico

#### Gentlemen:

Saga's proposes to drill the referenced well at a non-standard location in the near future. If you have no objections to this NSL, please sign in the space provided below and return to Saga in the enclosed envelope. Should you have any questions, please contact Joe Clement, NM area engineer, at the phone number listed below.

Very truly yours,

SAGA PETROLEUM LLC

Bonnie Husband

Bonnie Husband **Production Analyst** 

Enclosures

We do not have any objections to Saga's proposed State Land Sec. 32 #10 well located at a NSL.

Vame: Brotnews Production Co. Inc. Ihng Morans 10.11-02 Date

Company Name:

Signature

CC- Hobbs OCD

Office: (915) 684-4293 Fax (915) 684-0829

415 W. Wall, Ste 1900 Midland, TX 79701

01/08/2003 15:08 FAX 9156844285

12 12:4/YM APACHE COKP. Saga Petroleum

NU. 5503

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October 2, 2002

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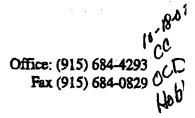
Bonnie Husband **Production Analyst** 

Enclosures

oht

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\* Company Name: <u>Apache</u> Corporation \* <u>John A. Sazain</u> <u>10/14/00</u> Signature Land Mgr - Central Region Date



415 W. Wall, Ste 1900 Midland, TX 79701

From: Bonnie Husband [bhusband@sagapetroleum.com]

Sent: Wednesday, January 08, 2003 2:07 PM

To: Stogner, Michael

Subject: Re: NSL State Land Sec 32 #10

faxing 7 pages now

----- Original Message -----From: Stogner, Michael To: 'Bonnie Husband' Cc: Ezeanyim, Richard ; Jones, William V ; Williams, Chris ; Mull, Donna ; Wrotenbery, Lori ; William F. Carr (Email) Sent: Wednesday, January 08, 2003 2:42 PM Subject: RE: NSL State Land Sec 32 #10

Ms. Husband,

I have reviewed the Division's files and talked with Wil Jones and others but, I'm sorry to say, I find no record of such a filing received by this office. I apologize if we misplaced or mishandled it in anyway.

If you would please fax me a copy of this application and all of the support data I will give it priority status and review it immediately.

Please use the following fax number (505) 476-3471. Also, if you will e-mail me when you are ready to transmit this filing, I will wait for it.

If there are any problems, my telephone number is (505) 476-3465.

-----Original Message----- **From:** Bonnie Husband [mailto:bhusband@sagapetroleum.com] **Sent:** Wednesday, January 08, 2003 11:48 AM **To:** <u>mstogner@state.nm.us</u> **Subject:** NSL State Land Sec 32 #10

Called Hobbs OCD office this am. Status of approval to drill NSL location filed 10-2-02 - Hobbs stated waiting on NSL number from your office. Letters from Apache & Brothers Production co w/no objection to application, no response from other offset operators.

From:	Stogner, Michael
Sent:	Wednesday, January 08, 2003 1:43 PM
To:	'Bonnie Husband'
Cc:	Ezeanyim, Richard; Jones, William V; Williams, Chris; Mull, Donna; Wrotenbery, Lori; William F. Carr (E-mail)
Subject: RE: NSL State Land Sec 32 #10	

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