



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 26, 1998

F & M Oil and Gas Company
P.O. Box 891
Midland, Texas 79702-0891

Attn: Ms. Leah D. Spears

Re: Request for Extension of Implementation Period for Division Order WFX-728.

Dear Ms. Spears,

My staff has reviewed your request to extend the implementation period on the above referenced Division Order. Providing that all conditions contained in the order remain the same and there are no wells drilled in the area of review, the expiration date of the WFX-728 is hereby extended to April 15, 1999.

In the event any drilling activity occurs in the subject area of review, F & M Oil and Gas Company will notify the supervisor of the Hobbs District office and the Division office. An administrative review of the permit will be conducted, and the status of the permit will be determined.

All other provisions and conditions of WFX-728 and Division Rules 706 and 1120 shall remain in full force and effect.

Sincerely,

Lori Wrotenbery
Director

LS/BES/kv

cc: Oil Conservation Division - Hobbs
WFX-728 /

F & M OIL AND GAS COMPANY

P. O. BOX 891
MIDLAND, TEXAS 79702-0891
(915) 682-7714
FAX 682-7700

October 12, 1998

New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, New Mexico 87505

Attn: Ben Stone

**Re: Administrative Order No. WFX-728
Tonto Well # 12, 460' FSL & 1980' FWL
"N" Sec 30, T19S, R33E
Lea County, New Mexico**

Dear Mr. Stone:

Please find enclosed a copy of the above referenced Administrative Order. We have two wells to convert into injection wells, the #12 and the #7. The Administrative Order on the #7 expires in April of 1999 (Please copy of letter enclosed 4/8/98 from Mr. Wrotenbery).

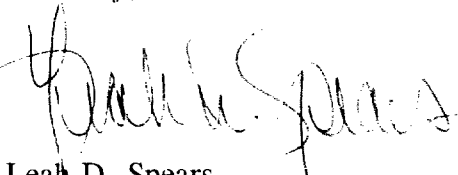
Like most independent operators in the West Texas and SE New Mexico region, we are in the process of a company reorganization in an attempt to keep the low oil pricing from sending us completely out of business. Could we please have an extension on the #12 until at least April 1999. That way the #7 and #12 deadlines will be the same and hopefully the first quarter of 1999 will show an improvement for the industry.

I would greatly appreciate your help with this matter at your earliest convenience.

We look forward to meeting you at the November seminar here in Midland.

Thank you in advance for your help.

Sincerely,



Leah D. Spears
Office Manager