



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

October 26, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Latigo Petroleum, Inc.
415 West Wall – Suite 1900
Midland, Texas 79701

Attention: **William F. Chatham, CPL**
Sr. Staff Landman

Case 13387

RE: *Administrative application (Division reference No. pMES0-428753865) filed with the Division on October 4, 2004 to establish/reinstate a non-standard 160-acre gas spacing and proration unit in the Justis Gas Pool (76360) comprising the SW/4 of Section 1, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to Latigo Petroleum, Inc.'s proposed Hodges "B" Well No. 7 to be drilled at an unorthodox gas well location 1880 feet from the South line and 390 feet from the West line (Unit L) of Section 1.*

Dear Mr. Chatham:

On Wednesday, October 20, 2004 the Division received a timely objection from Rock Eagle Ranch Corporation and Ronald E. Slover to the subject application, see copy of a letter from Mr. Richard E. Weinberg, President of Rock Eagle Ranch Corporation attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for November 18, 2004. In order to expatiate this matter I have prepared the following advertisement in this matter:

"Application of Latigo Petroleum, Inc. for a non-standard gas spacing and proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks to reinstate the former non-standard 160-acre gas spacing and proration unit within the Justis Gas Pool (76360) comprising the SW/4 of section 1, Township 25 South, Range 37 East, which is located approximately five miles east-northeast of Jal, New Mexico, previously approved by Division Order No. R-586-C, issued in Case No. 1293 on October 3, 1957. This unit now to be dedicated to the Applicant's proposed Hodges "B" Federal Well No. 7 to be drilled at an unorthodox gas well location 1880 feet from the South line and 390 feet from the West line (Unit L) of Section 1.

Should you have any questions concerning this matter, please consult your legal counsel of choose.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad
Rock Eagle Ranch Corporation, Attention: Richard E. Weinberg, President – Bellaire, Texas
Mr. Ronald E. Slover – Amarillo, Texas
Ms. Florene Davidson, Staff Specialist – NMOCD, Santa Fe

Rock Eagle Ranch Corporation

P. O. BOX 458
BELLAIRE, TEXAS 77401
PHONE: A.C. 713 - 667-6344

RECEIVED

OCT 20 2004

OIL CONSERVATION
DIVISION

October 18, 2004

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Case 13387

Re: Section 1, Township 25 South, Range 37 East, N.M.P.M.
Lea County, New Mexico
Latigo Petroleum, Inc.'s request for non-standard gas spacing.
for the Hodges "B" well No. 7 in the SW/4 of Section 1.

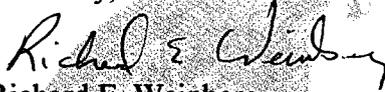
Gentlemen:

Rock Eagle Ranch Corporation and Ronald E. Slover of 3614 Royal Road, Amarillo, TX 79109 lease an interest (7.5%) in oil & gas produced from the N/2 of Section 1, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

It is our understanding that Latigo Petroleum, Inc. has applied for a non-standard gas spacing and an unorthodox gas well location in the SW/4 of Section 1, the Hodges "B" Well No.7. If approved, this well will drain reserves from the land we lease.

Rock Eagle Ranch Corporation and Ronald E. Slover hereby request that the Oil Conservation Division reject the application of Latigo Petroleum, Inc.

Sincerely,


Richard E. Weinberg
President

CC: Ronald E. Slover

