



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

November 3, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Unit Petroleum Company
C/o James Bruce, Attorney at Law
PO Box 1056
Santa Fe, New Mexico 87504

Re: Division Case 13124
Application for Compulsory Pooling and NSL
Lea County, New Mexico

Dear Mr. Bruce:

On August 7, 2003, this case was heard in Santa Fe by New Mexico Oil Conservation Division ("Division") examiners William V. Jones and David Brooks. After drafting an order on this case in late October 2003, legal notice concerns were raised.

The concern raised was that several working interest owners-of-record were not formally given notice of the proposed pooling by Unit Petroleum Company. Reasons stated at the hearing for this was that BTA Oil Producers (BTA) represented many working interest owners and therefore notice by Unit Petroleum Company was given directly to BTA.

Division Rule 1207.A(1)a is the notice rule of concern.

The Division is recommending that Unit Petroleum Company provide notice to these parties then re-advertise this pooling case and appear before the Division with evidence and testimony of this notice.

We regret not expressing concerns on this at the hearing and deciding on this issue at a much earlier date.

Please address questions to either Mr. David Brooks (505-476-3450) or myself.

Sincerely,

William V Jones Jr. PE

wwjones@state.nm.us

505-476-3448

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