JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE) (505) 660-6612 (CELL) (505) 982-2151 (FAX)

jamesbruc@aol.com

RECEIVED

JAN 1 3 2004

OIL CONSERVATION DIVISION

January 10, 2004

Michael E. Stogner Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Application Reference Nos. pMES0+32525283 and pLR0-333627423

Well:

State "16" Well No. 1Y

Location:

330 feet FSL & 940 feet FEL

Well Unit:

E% of Section 16, Township 9 South, Range

37 East, N.M.P.M., Lea County, New Mexico

Dear Mr. Stogner:

John R. Stearns applied for administrative approval of an unorthodox gas well location for the above well. Due to an objection by an offsetting interest owner, the matter was set for hearing on January 8, 2004 (Case No. 13203). At the hearing, no objector appeared. As a result, I ask that the matter be processed administratively.

Attached is Exhibit 1 presented at the hearing, which shows that the offset mineral owners were notified of the January 8th hearing.

Please call me if you need any further information on this matter.

Very truly yours,

James Bruce

Attorney for Applicant

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF JOHN R. STEARNS FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

Case No. 13203

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)	
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COUNTY OF SANTA FE)	

James Bruce, being duly sworn upon his oath, deposes and states:

- 1. I am over the age of 18, and have personal knowledge of the matters set forth herein.
 - 2. I am an attorney for Applicant.
- 3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the Application filed herein.
- 4. Notice of the Application was provided to the interest owners at their correct addresses by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
- 5. Applicant has complied with the notice provisions of Division Rule 1207.

James Bruce

Notary Public

My Commission Expires: 3/14/05

OIL CONSERVATION DIVISION

CASE NUMBER

EXHIBIT NUMBER 1

JAMES BRUCE ATTORNEY AT LAW

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369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE) (505) 982-2151 (FAX)

jamesbruc@aol.com

December 18, 2003

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Mineral Owners in the N½ of Section 21, Township 9 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Ladies and gentlemen:

John R. Stearns has filed an application with the New Mexico Oil Conservation Division requesting administrative approval of an unorthodox gas well location in the E½ of Section 16, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico. The existing State 16 Well No. 1Y, to be re-completed in the Morrow formation, is located at an unorthodox location 330 feet from the south line and 940 feet from the east line of Section 16. This application is scheduled to be heard at 8:15 a.m. on Thursday, January 8, 2004 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You own a mineral interest in the offsetting acreage (the N½ of Section 21). As an offset owner, you have the right to appear at the hearing and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are required to notify the Division, and the undersigned, by Friday, January 2, 2004, if you intend to enter an appearance and participate in the case.

Very truly yours,

Attorney for John R. Stearns

EXHIBIT



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Governor
Joanna Prukop
Cabinet Secretary

December 15, 2003

Lori Wrotenbery
Director
Oil Conservation Division

John R. Stearns d/b/a Stearns c/o James Bruce P. O. Box 1056 Santa Fe, New Mexico 87504

Re: Administrative application (application reference Nos. pMES0-325255283 and pLR0-333627423) for an exception to Division Rule 104.C (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for John R. Stearns d/b/a Stearns existing State "16" Well No. 1-Y (API No. 30-025-34070) to be recompleted into the Undesignated West Sawyer-Morrow Gas Pool (97103) at an unorthodox deep gas well location 330 feet from the South line and 940 feet from the East line (Unit P) of Section 16, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico, within a standard 320-acre stand-up gas spacing unit comprising the E/2 of Section 16.

Dear Mr. Bruce:

The Division is in receipt of an objection filed in a timely manner by Richard Donald Jones, Jr. to the subject application; see copy of letter dated December 11, 2003 attached.

This application will be set for hearing before a Division Hearing Examiner on the next available docket scheduled for January 8, 2004. I have prepared the following advertisement in this matter:

"Application of John R. Stearns d/b/a Stearns for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2) (a) for the existing State "16" Well No. 1-Y (API No. 30-025-34070) to be recompleted into the Undesignated West Sawyer-Morrow Gas Pool (97103) at an unorthodox deep gas well location 330 feet from the South line and 940 feet from the East line (Unit P) of Section 16, Township 9 South, Range 37 East. The E/2 of Section 16 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing unit for the Morrow formation. This unit is located approximately 11 miles east by north of Crossroads, New Mexico".

Should you have any questions concerning this matter, please contact me in Santa Fe by phone at (505) 476-3465 or by e-mail at mstogner@state.nm.us.

Sincerely,

Michael E. Stogner Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office – Santa Fe Richard Donald Jones, Jr. – Cedar Creek, TX

OFFSET OWNERS

Marilyn B. Salter 20031 82nd Avenue Edmonds, Washington 98020

Beverly B. Strohl 4353 Brownfield Avenue San Diego, California 92122

Patricia Boyle Young P.O. Box 1639 Solana Beach, California 90806

J.L. Burke III 8428 Meadowknoll Dallas, Texas 75243

Bill C. Cotner P.O. Box 2236 Midland, Texas 79702

William J. Hill 1613 Winfield Midland, Texas 79705

College of the Southwest 6610 Lovington Highway Hobbs, New Mexico 88240

Texas Tech University P.O. Box 41081 Lubbock, Texas 79409

W.L. Pevey, Jr. P.O. Box 295 Hobbs, New Mexico 88241

Gary Don Reagan P.O. Box 780 Hobbs, New Mexico 88241

Richard L. Westlake P.O. Box 647 Salado, Texas 76571

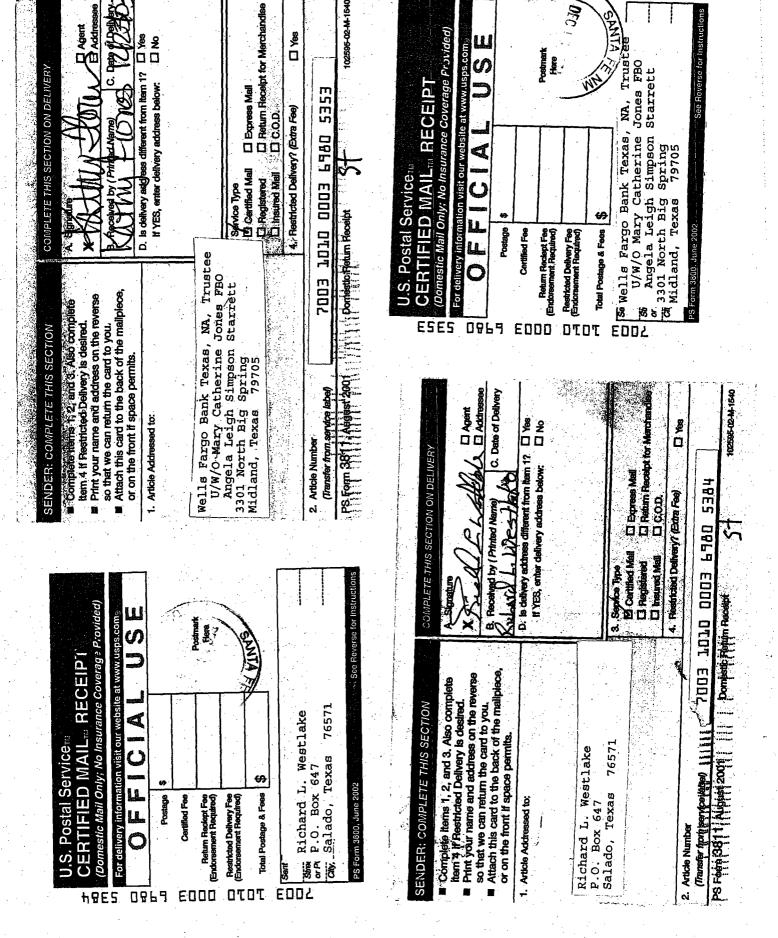
Osler C. Hutson P.O. Box 550 Gladewater, Texas 75647 Richard D. Jones, Jr. 200 North Gaines Road Cedar Creek, Texas 78612

Wells Fargo Bank Texas, NA, Trustee U/W/O Mary Catherine Jones FBO Angela Leigh Simpson Starrett 3301 North Big Spring Midland, Texas 79705

Kingdon R. Hughes P.O. Box 2424 Midland, Texas 79702

Roy G. Barton, Individually and as Trustee P.O. Box 978 Hobbs, New Mexico 88241

Nancy B. Farmer 5136 East 35th Street Tulsa, Oklahoma 74135



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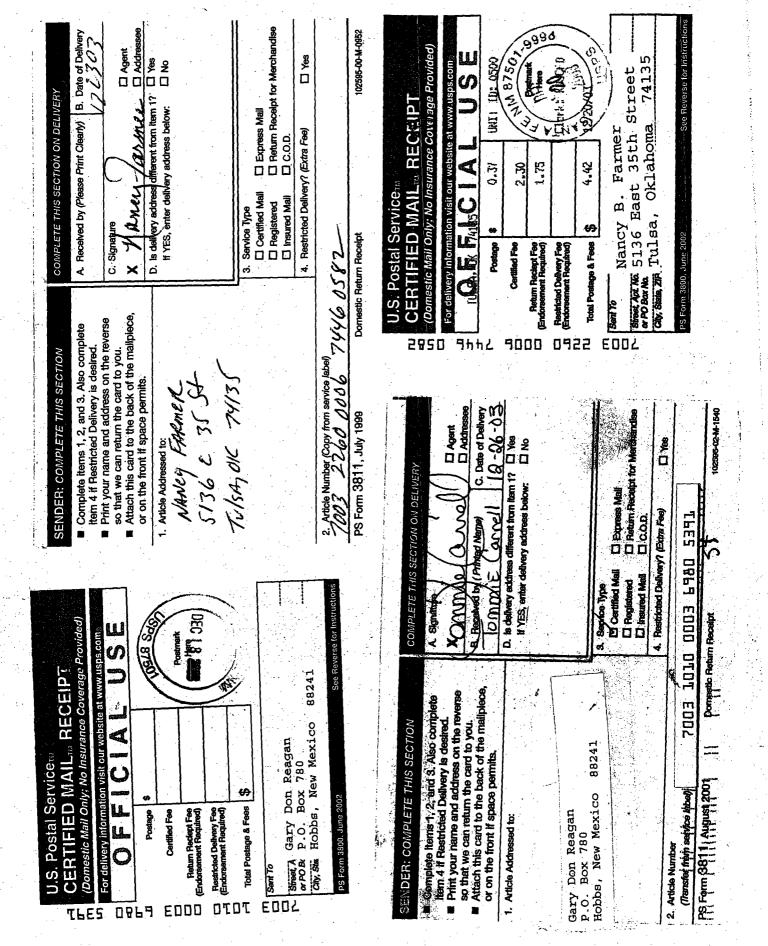
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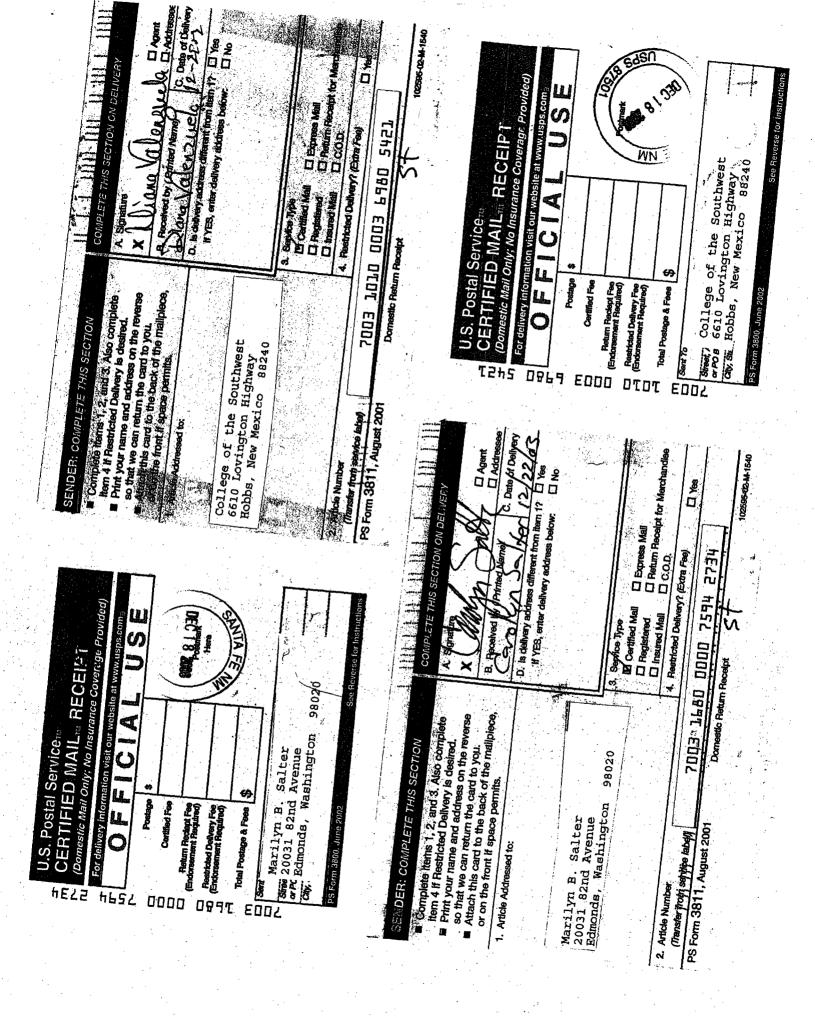
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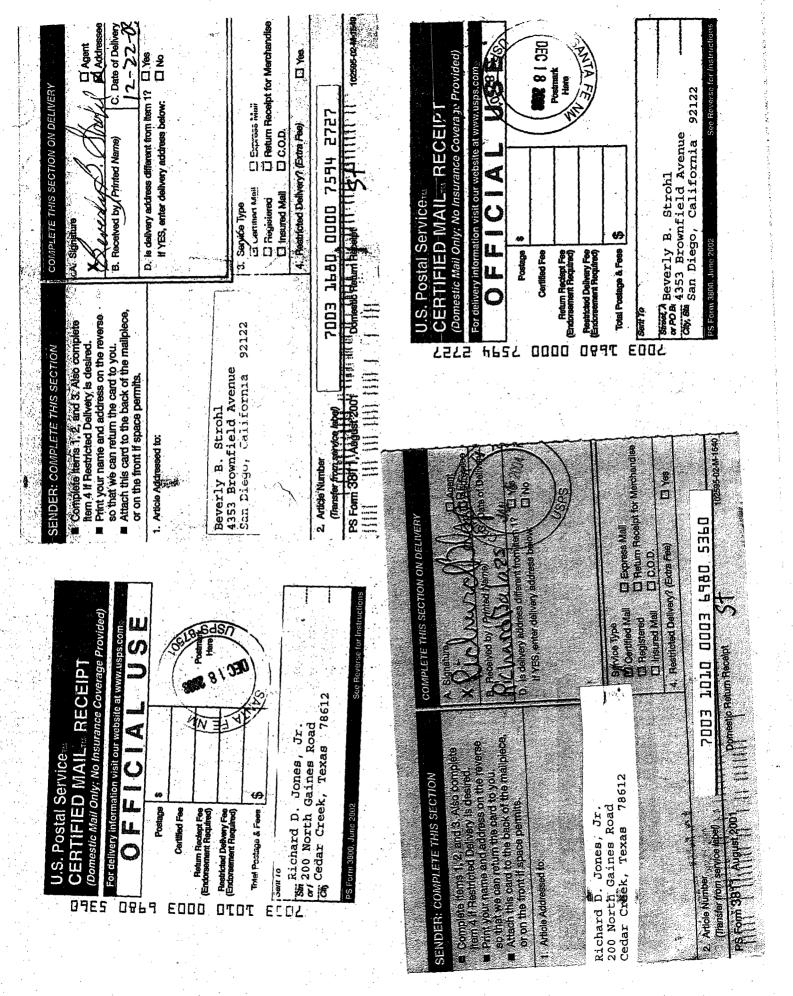
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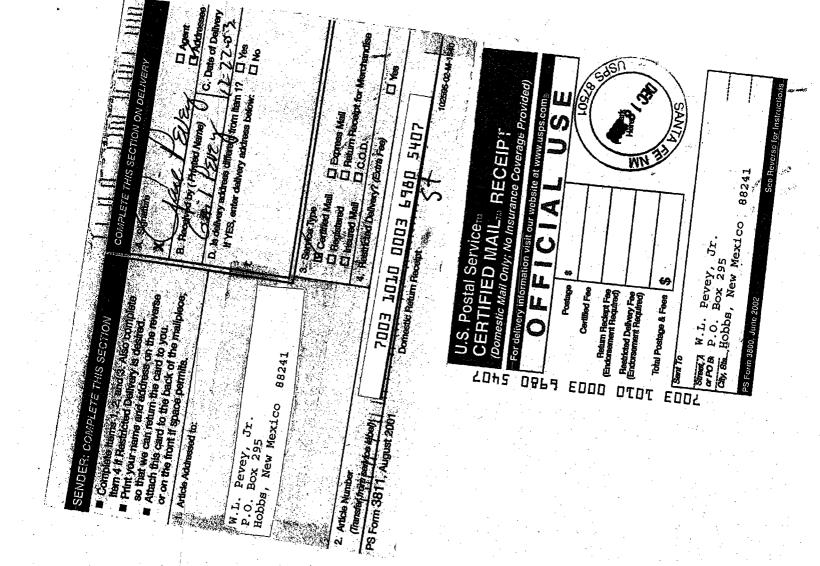
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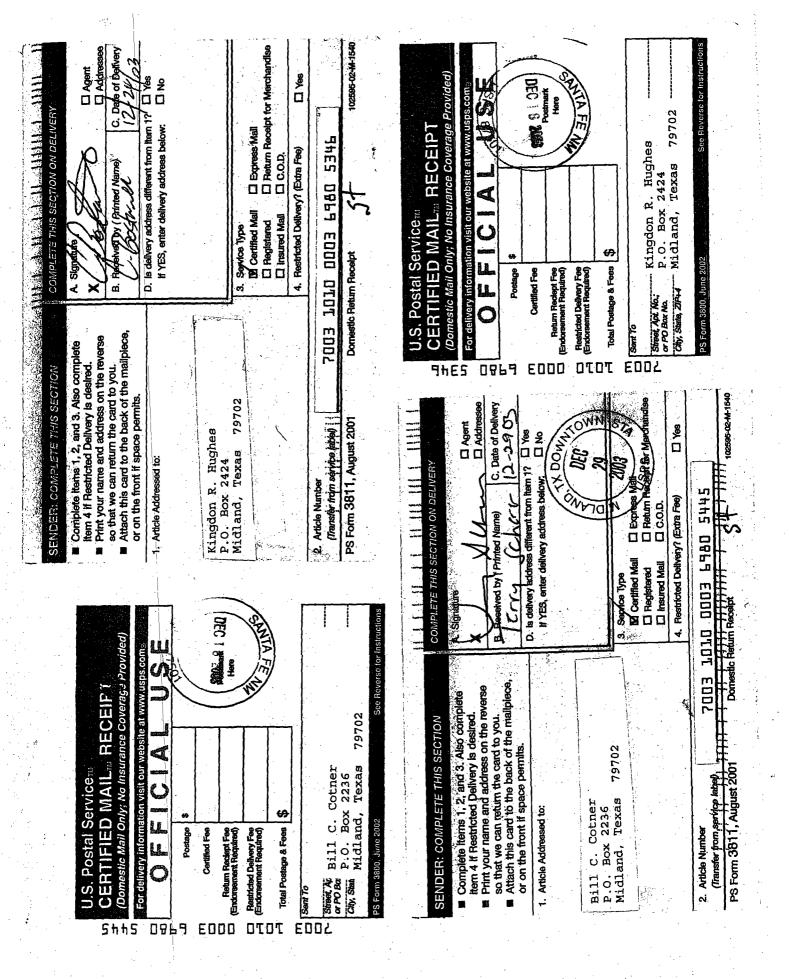
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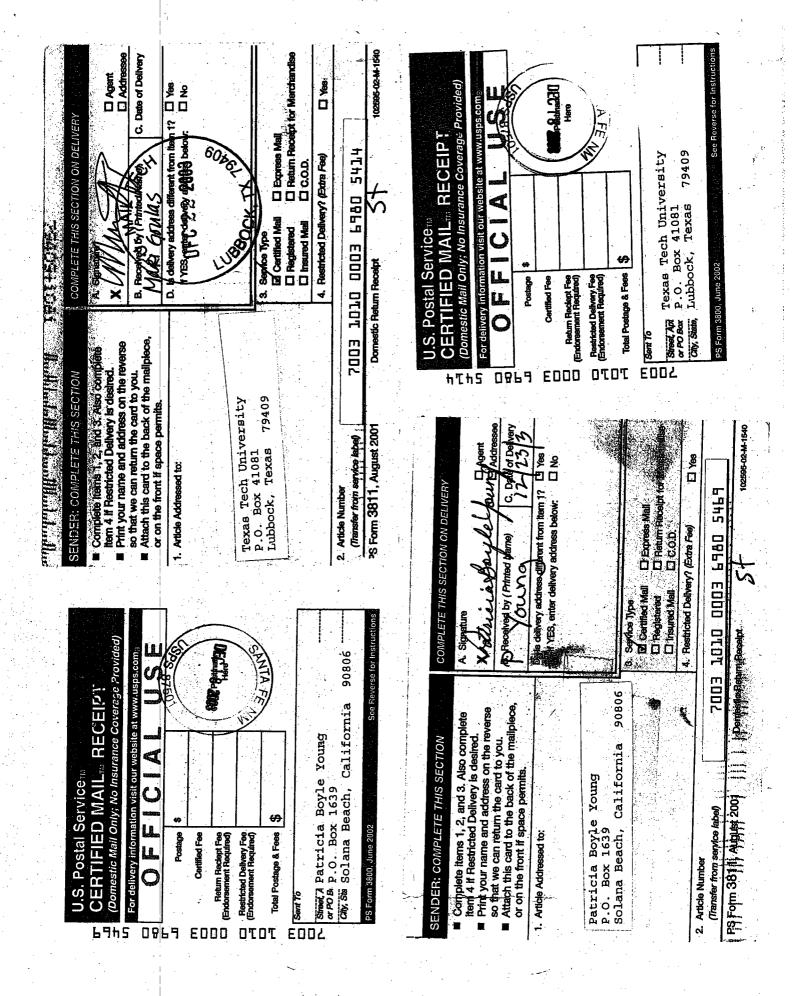


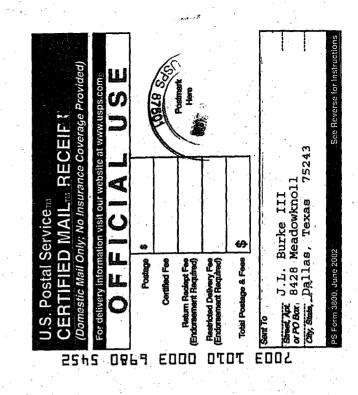












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and as Trustee P.O. Box 978 Hobbs, New Mexico 88241	Seprice Type G. Certified Mail	achandisa
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U.S. Postal Servicer CERTIFIED MAILT RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	OFFICIAL USE	Con any service & equipment	Certified Fee	Return Recipit Fee (Endowsement Required)	Restricted Delivery Fee [Endorsement Required]	Total Postage & Fees \$	To Roy G. Barton, Individually	Street Art No P.O. Box 978 or PO Box No. Hobbs, New Mexico 88241	See Reverse for Instructions
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