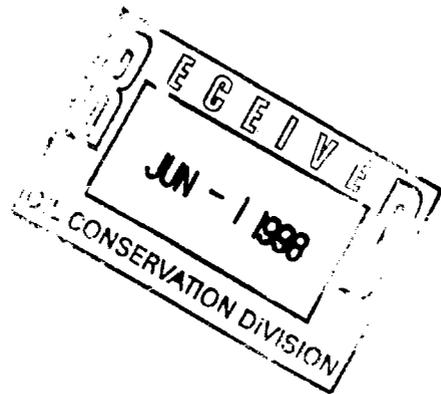


May 29, 1998

To: Hearing Examiner  
From: J. H. Buddy Garner

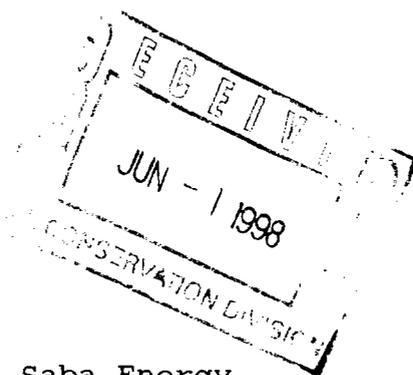
Ref: Case No. 11986 Scheduled for June 11,  
1998 hearing.

Please enter the attached letter into the  
record of Saba's Energy's motion for creation of  
special pool rules in Section 7, Township 13 South,  
Range 36 East, Lea Co., New Mexico.



May 28, 1998

Oil Conservation Division  
2040 South Pacheo  
Santa Fe, NM 87505



Ref: Case No.11986 Application of Saba Energy  
of Texas Inc., for Pool Creation and  
Special pool rules , Lea Co. New Mexico

Gentleman:

Marks and Garner has a oil well offsetting the proposed Upper Pennsylvanian pool being proposed by Saba Energy and while we do not oppose 80 acre spacing we do have serious reservation about allowing a location 330' from a lease line to be a standard location. It is felt that if a well can drain 80 acres a location correlative rights would not be protected with a location 330' from a lease line.

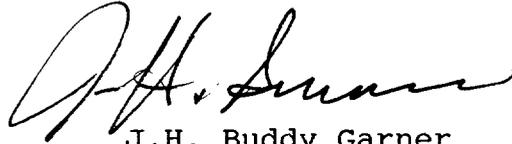
Marks and Garner would also like to request that the Oil Conservation Division address the well bores that have been drilled through the proposed pool while a standard proration unit was 40 acres and a standard location could be at 330' from the boundary of a governmental quarter section. While there are the means to obtain a non-standard loc.for these types of wells it is felt that since special pool rules are being proposed that now is the time to address this potential problem and these wells be grandfather into this pool as standard locations. This will prevent having to address these wells on an individual basis thus preventing excessive paper work and would prevent the possibility that economic waste could occur by these well bores not being able to be used.

Marks and Garner would like the Oil Conservation Division to consider the following recommendations when the special pool rules are being developed for the proposed Upper Penn pool.

1. That a standard location be with in 150' of the center of any governmental quarter,quarter section (40 acres)

2. Any well drilled through the Upper Penn. formation before special pool rules are implemented and is at a standard loc. for a 40 acre poration unit would be grandfather into the proposed pool as a standard location.

Sincerely,



J.H. Buddy Garner

cc:William F Carr

