



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

November 18, 1997

Mallon Oil Company  
c/o James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

#12025

*RE: Administrative application of Mallon Oil Company to drill its Mescalero Ridge "19" Well No. 1 at an unorthodox Morrow gas well location 1650' FSL & 990' FWL (Lot 3/Unit L) of Section 19, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, in which the S/2 equivalent of said Section 19 is to be dedicated in order to form a standard 319.92-acre gas spacing and proration unit.*

Dear Mr. Bruce:

On July 9, 1998 the Division received an objection from Kevin O. Butler & Associates, Inc. to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for August 6, 1998. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's General Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
Kevin O. Butler & Associates, Inc. (Attn. Kevin O. Butler) - Midland, TX  
Rand Carroll, General Counsel - OCD, Santa Fe  
Kathy Valdes - OCD, Santa Fe