



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

July 28, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Santa Fe Snyder Corporation
c/o **W. Thomas Kellahin**
P. O. Box 2265
Santa Fe, New Mexico 87504-2265

Maynard Oil Company
c/o **Campbell, Carr, Berge & Sheridan**
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: William F. Carr

Re: Division Administrative Order NSL-4498/Division Case No. 12462.

Dear Messrs. Kellahin and Carr:

Per Mr. Carr's letter dated August 15, 2000, Division Administrative Order NSL-4498, which order approved an unorthodox gas well location within the W/2 of Section 12, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, being a standard 320-acre gas spacing and proration unit within the Undesignated Wilson-Morrow Gas Pool, for Santa Fe Snyder Corporation's Outland State Unit Well No. 1-Y (API No. 30-025-34818) located 638 feet from the South line (which is only 22 feet from a standard location) and 739 feet from the West line (Unit M) of Section 12, Township 21 South, Range 34 East, NMPM, New Mexico, shall be placed in abeyance until further notice.

It is my understanding that Division Case No. 12462, which is an application for the same thing, will be heard on September 7, 2000. It would appear that a location that is only 22 feet unorthodox could warrant a full hearing (I could be wrong) before a Division Hearing Examiner whose schedules and dockets are already congested, I therefore strongly urge both parties to seek an equitable solution on their own in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
Ms. Lori Wrotenbery, Director - NMOCD, Santa Fe
File: Case 12462