



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

July 23, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Gruy Petroleum Management Company

Attention: Zeno Farris

P. O. Box 140907

Irving, Texas 75014-0907

Case 12723

RE: *Administrative application of Gruy Petroleum Management Company for a location exception (application reference No. pKRV0-120540322) filed with the New Mexico Oil Conservation Division ("Division") on July 23, 2001 for its Myers "B" Well No. 9 (API No. 30-025-34769) located at an unorthodox infill Jalmat gas well location 990 feet from the North line and 330 feet from the West line (Unit D) of Section 13, Township 24 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, and for simultaneous dedication of gas production from two wells within an existing non-standard 160-acre gas spacing and proration unit (authorized by Division Administrative Order NSP-536, dated November 15, 1960) comprising the NW/4 of Section 13.*

Dear Mr. Farris:

The Division is in receipt of an objection from Lewis B. Burleson, Inc. to the subject application, see copy of letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for September 6, 2001. I have prepared the following advertisement in this matter:

"Application of Gruy Petroleum Management Company for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location for its recently drilled Myers "B" Well No. 9 (API No. 30-025-34769) located 990 feet from the North line and 330 feet from the West line (Unit D) of Section 13, Township 24 South, Range 36 East. Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the amended Stipulated Declaratory Judgement issued by the First Judicial District Court in Santa Fe County, New Mexico on July 11, 2001, seeks to simultaneously dedicate Jalmat gas production from the above-described Myers "B" Well No. 9 and its Myers "B" Well No. 3 (API No. 30-025-09565), located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 13, to the existing non-standard 160-acre gas spacing and proration unit (authorized by Division Administrative Order NSP-536, dated November 15, 1960) comprising the NW/4 of Section 13. This unit is located approximately 7.5 mile north-northwest of Jal, New Mexico".

Gruy Petroleum Management Company

August 8, 2001

Page 2

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
Lewis L. Burleson, Inc., Attention: Steven L. Burleson - Midland, Texas
Kathy Valdes - OCD, Santa Fe
William F. Carr, Legal Counsel for Gruy Petroleum Management Company - Santa Fe
W. Thomas Kellahin, Legal Counsel for Lewis B. Burleson, Inc. - Santa Fe