



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

June 17, 2002

Lori Wrotenbery

Director

Oil Conservation Division

Texakoma Oil & Gas Corporation
One Lincoln Center
5400 LBJ Freeway – Suite 500
Dallas, Texas 75240

Attention: Tom Sprinkle

RE: *Administrative application for Texakoma Oil & Gas Corporation's proposed Texakoma – USA "23" Well No. 1 (API No. 30-045-31110) to be drilled within the E/2 of Section 23, Township 32 North, Range 13 West, NMPM, San Juan County, New Mexico at an off-pattern unorthodox coal gas well location 390 feet from the South line and 627 feet from the East line (Unit P) of Section 23 (application reference No. pKRV0-215546389).*

Dear Mr. Sprinkle:

The Division is in receipt of an objection from Pure Resources, L.P. to the subject application; see copy of letter dated June 17, 2002 attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for July 11, 2002, hearing to be held in Aztec, New Mexico. I have prepared the following advertisement in this matter:

"Application of Texakoma Oil & Gas Corporation for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Texakoma – USA "23" Well No. 1 (API No. 30-045-31110) at an off-pattern non-standard coal gas well location 390 feet from the South line and 627 feet from the East line (Unit P) of Section 23, Township 32 North, Range 13 West, which is located approximately three miles north northeast of La Plata, New Mexico. The E/2 of Section 23 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool."

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

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Framington
W. Thomas Kellahin, Legal Counsel for Pure Resources, L.P. – Santa Fe
Kathy Vades, NMOCD – Santa Fe

Texakoma . add 1
Case 12894

Application of Texakoma Oil & Gas Corporation for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Texakoma – USA “23” Well No. 1 (*API No. 30-045-31110*) at an off-pattern non-standard coal gas well location 390 feet from the South line and 627 feet from the East line (Unit P) of Section 23, Township 32 North, Range 13 West, which is located approximately three miles north-northeast of La Plata, New Mexico. The E/2 of Section 23 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool. ¹⁰

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 17, 2002

HAND DELIVERED

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504
Attn: Mr. Michael E. Stogner

Re: **NOTICE OF OBJECTION:**
Texahoma Oil & Gas Corporation's
USA "23" Well No. 1
Unit P, Section 23, T32N, R13W, NMPM,
Administrative Application to NMOCD
for Approval of Unorthodox Well
Location, San Juan County, New Mexico

Case 12894

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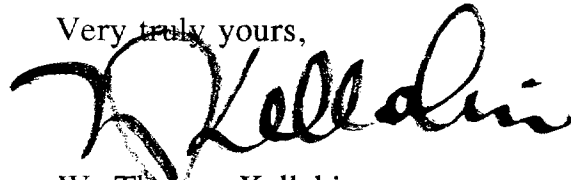
Dear Mr. Stogner:

By letter dated May 30, 2002, Texakoma Oil & Gas Corporation filed the referenced administrative application with the Division and sent notification to the offsetting operators of the referenced request.

On behalf of Pure Resources, L.P., as an offsetting operator, we hereby object to the referenced application by Texahoma Oil & Gas Corporation for an unorthodox gas well location as described in its administrative application to the Division.

We request that this matter be set for hearing and that Pure Resources be provided notification of the hearing in accordance with Division notice rules.

Very truly yours,



W. Thomas Kellahin

cc: Pure Resources, L. P.
Attn: J. Robert Ready (915) 498-8692
cc: Texahoma Oil & Gas Corporation
Attn: Tom Sprinkle (972) 701-9056