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January 30, 1990

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

9870

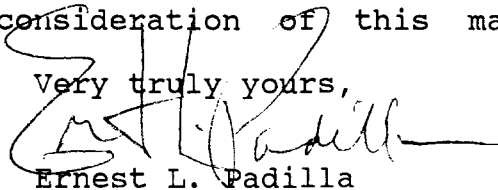
Re: Application of Siete Oil & Gas
Corporation, For a GOR Limitation
Determination, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed, in triplicate is the Application of Siete Oil
& Gas Corporation for GOR determination in Eddy County, New
Mexico.

Thank you for your consideration of this matter.

Very truly yours,



Ernest L. Padilla

ELP:mg
Enclosures as stated
cc: Siete Oil & Gas

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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS
AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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APPLICATION OF SIETE OIL & GAS
CORPORATION FOR A GOR
LIMITATION DETERMINATION,
EDDY COUNTY, NEW MEXICO

No. 9840

APPLICATION

Applicant states:

1. That applicant operates the Osage Federal No. 13 well located 660 FNL and 1980 FWL of Section 34, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico in the Parkway Bone Springs Pool (Pool).

2. That the Pool is currently operated upon a GOR limitation in accordance with Rule 506 (a) of the Division's Rules and Regulations because no other GOR limitation has been established for the Pool.

3. That Applicant's well and other wells it operates in the Pool, are capable of producing, without waste, at a GOR greater than 2000:1 as set by Rule 506 (a).

4. That a GOR limitation of 10000:1 should be adopted for the Pool retroactive to the date of first production from Applicant's Osage Federal No. 13 well.

5. That approval of this application would be in the best interests of oil and gas conservation.

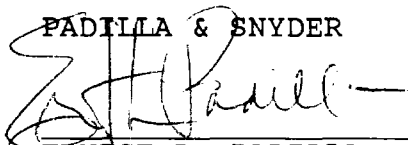
WHEREFORE, this Applicant requests that this application be set for hearing at the next available hearing

of the Division; that this application be approved; and for such further and proper relief as the Division deems necessary.

Respectfully submitted,

PADILLA & SNYDER

By:

A handwritten signature in dark ink, appearing to read "E. L. Padilla", is written over a horizontal line.

ERNEST L. PADILLA

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Attorneys for Applicant