

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

March 12, 1990

RECEIVED

MAR 12 1990

OIL CONSERVATION DIVISION

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

CASE # 9870

Re: Case No. 9870; Application of Siete Oil & Gas
Corporation for GOR Limitation

Dear Mr. LeMay:

After I talked with you this morning, I received the waiver in the above-referenced case from Chevron, U.S.A. I am enclosing a copy of this waiver.

Also enclosed is a copy of the waiver we originally received from Ray Westall.

Please let me know if this satisfies your requirements for a temporary 10000-1 GOR production authority.

Very truly yours,



Ernest L. Padilla

ELP:pmc

cc: Siete Oil & Gas Corporation

RECEIVED
MAR 12 1990
OIL CONSERVATION DIVISION

WAIVER

Chevron, U.S.A. hereby waives any objection, notice, and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

Chevron, U.S.A.

Alan W. Bohning
By: ~~Lofty Quinn~~
~~Senior Geologist~~

Special Projects Engineer
Chevron U.S.A. Inc.
March 9, 1990

559.0

Ray Westall

RECEIVED

Independent Oil Producer

Post Office Box 4 • Loco Hills, New Mexico 88255

Ph. 505-677-2370


MAR 12 1990

OIL CONSERVATION DIVISION

Siete Oil & Gas
Roswell, N.M.

January 5, 1989

As offset operator in the S. Parkway Bone Springs Pool.
Ray Westall has no objections for you to produce the Osage
13 or any other Bone Springs well, above the limiting G.O.R.



Randall Harris
Expl. Mgr.

PADILLA & SNYDER

ATTORNEYS AT LAW

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March 8, 1990

RECEIVED

MAR 08 1990

OIL CONSERVATION DIVISION

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case No. 9870; Application of Siete Oil & Gas
Corporation for GOR Limitation

Dear Mr. LeMay:

Yesterday, March 7, 1990, Siete Oil & Gas Corporation presented its evidence and testimony in support of the above-referenced application.

Today it has come to our attention that nomenclature Order R-9096, issued by the Division on January 11, 1990, expanded the Parkway Bone Springs Pool and abolished the South Parkway Bone Springs Pool, which had the effect of expanding Siete's notice requirements. Siete's application was filed shortly after issuance of Order R-9096. As a result, Siete will have to ask that the case be readvertised for an April 4, 1990 hearing date to afford any other operators or unleased mineral owners an opportunity for hearing following our notice requirements.

Based on the evidence which we submitted at the hearing yesterday, we feel strongly that there is little likelihood that there will be any protest of the application since all interest owners producing from the pool have already given Siete waivers of objection to the application. Chevron, U.S.A., which has the only other Bone Springs well in the area in the SW/4NE/4 of Section 2, Township 20 South, Range 29 East, Eddy County, has today agreed to sign a waiver. Chevron's well, the Eddy IK State No. 1, produces from a stray Bone Springs zone which is not one of the zones producing from Siete's wells.

Siete's presentation yesterday fairly demonstrated that the Parkway Bone Springs Pool is of limited extent and is fairly confined to Section 34, Township 19 South, Range 29

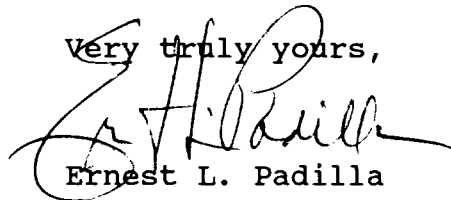
William J. LeMay
March 8, 1990
Page 2

East. In retrospect, perhaps, Siete's application should have been to create a new pool in Section 34.

During the hearing we asked Mr. Catanach for an expeditious order since no one objected to the application and Mr. Catanach, we believe, was well satisfied that the GOR request was necessary to prevent waste in the pool. Obviously, that request will have to await compliance with the newly discovered notice requirements. We do, however, request interim administrative approval for Siete to produce its wells in Section 34, Township 19 South, Range 29 East, at a 10000 to 1 GOR limitation pending readvertisement of the case for April 4, 1990.

Thank you for your consideration of this matter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ernest L. Padilla", is written over the typed name. The signature is fluid and cursive, with a large initial "E".

Ernest L. Padilla

ELP:pmc
cc: Siete Oil & Gas Corporation

1990 MAR 12 AM 9 13

Case 9870

Catanach

WAIVER

Chevron, U.S.A. hereby waives any objection, notice, and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

Chevron, U.S.A.

Alan W. Bohning
By: ~~Lefty Quinn~~
~~Senior Geologist~~

Special Projects Engineer
Chevron U.S.A. Inc.
March 9, 1990

559.0

PADILLA & SNYDER

ATTORNEYS AT LAW

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ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

March 8, 1990

VIA FEDERAL EXPRESS

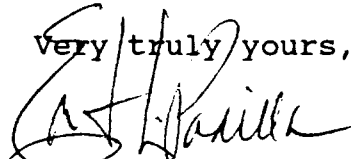
Chevron, U.S.A.
Hobbs Production Division Office
1923 North Del Paso
Hobbs, New Mexico 88240

Attn: Lofty Quinn
Senior Geologist

Dear Mr. Quinn:

Eddie Rodriguez of Siete Oil & Gas Corporation has asked me to send you the enclosed application. Included in these materials is a waiver form which we understand you will sign. After you have signed it, please return it to us so that we can submit it to the Oil Conservation Division hearing examiner.

Very truly yours,



Ernest L. Padilla

ELP:pmc
Enclosures as stated
cc: Siete Oil & Gas Corporation

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

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

No. _____

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

667

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", written over a horizontal line.

ERNEST L. PADILLA

P. O. Box 2523

Santa Fe, New Mexico 87501

(505) 988-7577

Attorneys for Applicant

COPY

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

February 12, 1990

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
(505) 827-5800

Padilla & Snyder
200 W. Marcy
Suite 212
Santa Fe, New Mexico 87504-2523

Case 9870

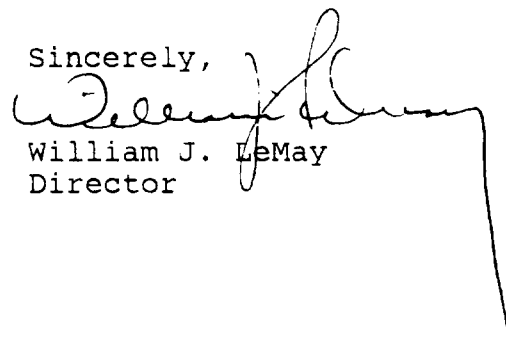
Dear Mr. Padilla:

As per your letter request on behalf of Siete Oil and Gas Corporation to extend the special 30-day testing period for the Osage Federal Well No. 13, please be advised that the requested 30-day extension is hereby denied.

It is our understanding however, that the case for GOR determination for the South Parkway-Bone Spring Pool has been docketed for hearing on February 21, 1990. In light of this and with the understanding that the case will be presented at the hearing on that day, you are hereby granted an extension to the special testing period through February 21, 1990. An additional extension may be granted subsequent to the presentation of evidence and testimony in said case, should circumstances warrant, and until a final order of the Division is issued.

All other provisions contained in my original letter dated January 9, 1990 shall continue to apply during the subject extended testing period.

Sincerely,



William J. LeMay
Director

xc: OCD-Artesia

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

February 6, 1990

HAND DELIVERED

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

Re: Application of Siete Oil & Gas
Corporation for GOR Determination

Dear Mr. LeMay:

By letter dated January 9, 1990, you granted Siete Oil & Gas Corporation authorization for a special 30 day testing period for its Osage Federal Well No. 13.

Siete has now made application for a GOR determination and that application is set for hearing on February 21, 1990. Your letter of January 9, 1990, states that written application for an extension of the 30 day authorization should be made to extend that time period. Please consider this letter as a request for an additional 30 day extension.

The extension is required for the following reasons:

1. Siete has not yet finished testing its well.
2. The hearing date now scheduled to hear the matter is set after the expiration of the 30 day period.
3. I have out of town depositions scheduled in El Paso on the week of February 19, 1990.

Should you have any questions or need additional information, please let me know.

Very truly yours,



Ernest L. Padilla

ELP:pmc

cc: Siete Oil & Gas Corporation

RECEIVED

FEB 16 1990

OIL CONSERVATION DIV.
SANTA FE
AREA CODE 505

ERNEST L. PADILLA
MARY JO SNYDER

PADILLA & SNYDER
ATTORNEYS AT LAW
200 W. MARCY, SUITE 212
P.O. BOX 2523
SANTA FE, NEW MEXICO 87504-2523
(505) 988-7577

February 16, 1990

HAND DELIVERED

David Catanach
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Application of Siete Oil & Gas Corporation
Case No. 9870

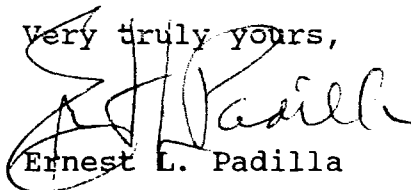
Dear Mr. Catanach:

This letter confirms our recent telephone conversations regarding GOR increased limitations to February 21, 1990. After that date Siete will scale back its well's production in conformity with Rule 506(a).

In addition, this letter will serve as our request for continuance of the Case No. 9870 from February 21, 1990 to March 7, 1990.

Thank you for your consideration of this matter.

Very truly yours,


Ernest L. Padilla

ELP:pmc
cc: Siete Oil & Gas Corporation

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

March 8, 1990

HAND-DELIVERED

Oil Conservation Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

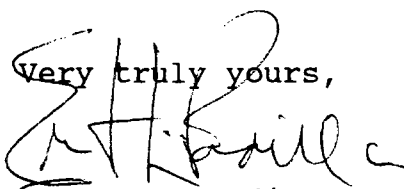
Attn: David Catanach
Hearing Examiner

Case No. 9870 - Application of
Siete Oil & Gas Corpora-
tion for GOR Limitation

Dear Mr. Catanach:

Enclosed please find the certified mail information relative to the Division's notice requirements in the above-referenced case.

This information is submitted pursuant to your request at yesterday's hearing.

Very truly yours,

Ernest L. Padilla

ELP:pmc
Enclosure as stated
cc: Siete Oil & Gas Corporation

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Meridian Oil Inc. 21 Desta Drive Midland, TX 79705	4. Article Number Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Stratta Production Company 648 Petroleum Building Roswell, NM 88201	4. Article Number Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X	6. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery 2-12-90	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Ray Westall P. O. Box 4 Loco Hills, NM 88255	4. Article Number P443 508 939
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X <i>Ray Westall</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery FEB 12 1990	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Presidio Oil Company 3131 Turtle Creek Blvd., Suite 400 Dallas, TX 75219-5415	4. Article Number
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X <i>Janice Hauer</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	AS ADDRESSED
7. Date of Delivery 2-12	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
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1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: IMC Petroleum 1201 Louisiana, Suite 1000 Houston, TX 77002	4. Article Number P443 508 941
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input checked="" type="checkbox"/> Return Receipt for Merchandise
	Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature - Address X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>[Signature]</i>	
7. Date of Delivery 2 1490	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 13, 1990

Mr. Ernest L. Padilla
Padilla & Snyder
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

RE: Case No. 9870; Application of Siete Oil & Gas Corporation for GOR
Limitation

Dear Mr. Padilla:

As per our telephone conversation today, Siete is hereby given authority effective immediately to produce their wells in the captioned case at a maximum GOR rate of 10,000 to 1 on a temporary basis until an order in this case is signed. Said temporary production should be at Siete's own risk with the potential for making up overproduction if the order sets GOR limits below Siete's requested 10,000 to 1.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'William J. LeMay', with a long vertical line extending downwards from the end of the signature.

William J. LeMay
Director

WJL/si



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

M E M O R A N D U M

TO: ALL INTERESTED PARTIES
FROM: WILLIAM J. LEMAY, DIVISION DIRECTOR *WJL*
SUBJECT: EXHIBITS FOR COURT REPORTER

In the future all parties presenting testimony before the Oil Conservation Division or Commission will be required to provide a complete set of exhibits for the court reporter. This will aid the reporter in the timely and efficient completion of transcripts.

February 8, 1990
fd/

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988 7592
AREA CODE 505

(505) 988-7577

February 9, 1990

Strata Production Company
648 Petroleum Building
Roswell, New Mexico 88201

Attn: George L. Scott, President

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

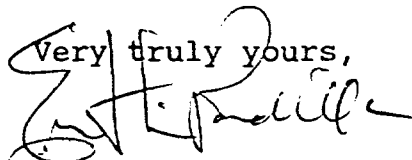
Dear Mr. Scott:

Enclosed please find our notice of hearing in the
above-referenced matter.

It is our understanding that Mr. Eddie Rodriguez of
Siete Oil & Gas Corporation (505-622-2202) has communicated
with you concerning Siete's application and will submit to
you additional information if you requested such
information.

I am further enclosing a form of waiver for your
signature should you have no objection to the application.
Please return the waiver form to us as soon as you have
signed it.

Thank you.

Very truly yours,


Ernest L. Padilla

ELP:pmc
Enclosures as stated
cc: Siete Oil & Gas Corporation

[Handwritten notes and signatures]
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1170

WAIVER

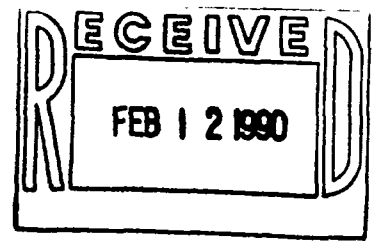
Strata Production Company hereby waives any objection to the application of Siete Oil & Gas Corporation for a GOR Limitation Determination of the Parkway Bone Springs Pool in Eddy County, New Mexico.

Strata Production Company

By: George L. Scott Jr

Title: President

Date: 13 Feb 1990



PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

FAX 988-7592
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ERNEST L. PADILLA
MARY JO SNYDER

(505) 988-7577

February 9, 1990

Presidio Oil Company
3131 Turtle Creek Blvd. Suite 400
Dallas, Texas 75219-5415

Attn: Tom Sprinkle, Engineering Manager

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

Dear Mr. Sprinkle:

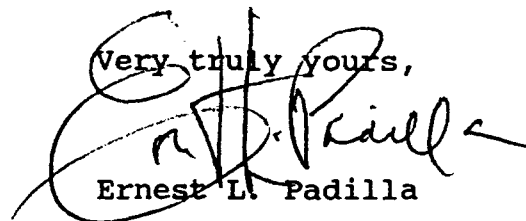
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Thank you.

Very truly yours,



Ernest L. Padilla

ELP:pmc
Enclosures as stated
cc: Siete Oil & Gas Corporation

Presidio Oil Company

SUBSIDIARIES

Padilla Operating Company
Presidio Energy, Inc.
Presidio Exploration, Inc.
The Desert Corporation
The Petroleum Corporation of Delaware

3131 Turtle Creek Blvd. • Suite 400 • Dallas, Texas 75219-5415 • (214) 528-5698 • Facsimile: (214) 528-2160

February 13, 1990

Padilla & Snyder
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

Attention: Mr. Ernest L. Padilla

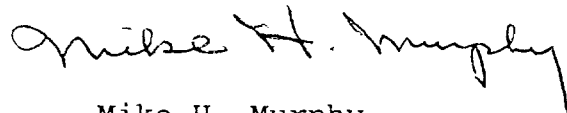
RE: Application of Siete Oil
& Gas Corporation for a
GOR Limitation Determination
Eddy County, New Mexico

Gentlemen:

In accordance with your request of February 9, 1990, attached is the original Waiver that has been executed by Presidio Oil Company (Presidio).

The Petroleum Corporation of Delaware, a wholly owned subsidiary of Presidio, is the owner of oil and gas leasehold interest in Sections 1, 4, 5, 6 and 7 of T-20-S, R-29-E, Eddy County, New Mexico, and also waives any objections to the application of Siete Oil & Gas Corporation for a GOR Limitation Determination of the Parkway Bone Springs Pool in Eddy County, New Mexico.

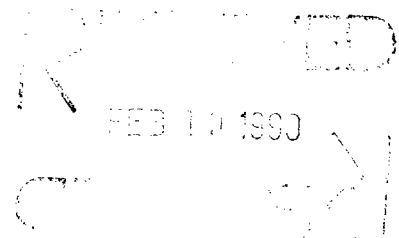
Yours very truly,



Mike H. Murphy
Division Land Manager

MHM/jmm

Attachment



WAIVER

Presidio Oil Company hereby waives any objection to the application of Siete Oil & Gas Corporation for a GOR Limitation Determination of the Parkway Bone Springs Pool in Eddy County, New Mexico.

Presidio Oil Company

By: Tom Sprinkle

Title: M-C Div. Prod. Mgr.

Date: 2-12-90

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

February 9, 1990

UCM Petroleum
1201 Louisiana, Suite 1000
Houston, Texas 77002

713 654-9110

Attn: Brian Baer, Vice President of Operations

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

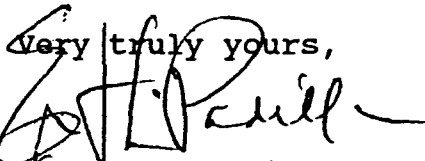
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above-referenced matter.

It is our understanding that Mr. Eddie Rodriguez of
Siete Oil & Gas Corporation (505-622-2202) has communicated
with you concerning Siete's application and will submit to
you additional information if you requested such
information.

I am further enclosing a form of waiver for your
signature should you have no objection to the application.
Please return the waiver form to us as soon as you have
signed it.

Thank you.

Very truly yours,

Ernest L. Padilla

ELP:pmc
Enclosures as stated
cc: Siete Oil & Gas Corporation

WAIVER

UMC
~~UCM~~ Petroleum hereby waives any objection to the application of Siete Oil & Gas Corporation for a GOR Limitation Determination of the Parkway Bone Springs Pool in Eddy County, New Mexico.

UMC
~~UCM~~ Petroleum

By:

Jack M. Furland

Title:

DEVELOPMENT MANAGER

Date:

3/1/90

559.0

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

February 9, 1990

Meridian Oil Inc.
21 Desta Drive
Midland Texas 79705

Attn: Mo Gaddis, Research Engineer

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

Dear Mr. Gaddis:

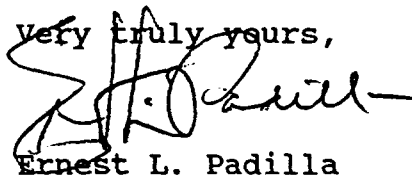
Enclosed please find our notice of hearing in the
above-referenced matter.

It is our understanding that Mr. Eddie Rodriguez of
Siete Oil & Gas Corporation (505-622-2202) has communicated
with you concerning Siete's application and will submit to
you additional information if you requested such
information.

I am further enclosing a form of waiver for your
signature should you have no objection to the application.
Please return the waiver form to us as soon as you have
signed.

Thank you.

Very truly yours,



Ernest L. Padilla

ELP:pmc
Enclosures as stated
cc: Siete Oil & Gas Corporation

WAIVER

Meridian Oil Inc. hereby waives any objection to the application of Siete Oil & Gas Corporation for a GOR Limitation Determination of the Parkway Bone Springs Pool in Eddy County, New Mexico.

Meridian Oil Inc.

By: [Signature]

Title: Eng Mgr.

Date: 3/2/90

559.0

Ray Westall

Independent Oil Producer
Post Office Box 4 • Loco Hills, New Mexico 88255
Ph. 505-677-2370

Siete Oil & Gas
Roswell, N.M.

January 5, 1989

As offset operator in the S. Parkway Bone Springs Pool.
Ray Westall has no objections for you to produce the Osage
13 or any other Bone Springs well, above the limiting G.O.R.



Randall Harris
Expl. Mgr.

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

(505) 988-7577

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

April 18, 1990

HAND DELIVERED

David Catanach
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Case No. 9870; Application of Siete Oil & Gas
Corporation for GOR Limitation

Dear Mr. Catanach:

Enclosed please find copies of the Notices of Hearing that have been sent to the following additional entities or persons in regard to the above-referenced matter:

1. J. C. Williamson
2. TXO Production Corporation
3. Yates Petroleum Corporation
4. Santa Fe Energy Operating Partners
5. Bureau of Land Management

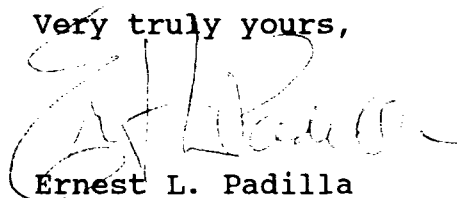
In addition, J. C. Williamson and TXO have executed a waiver and returned it to us. Copies of these waivers are also enclosed.

It is our understanding that Yates will not oppose the application. We have not received any communication from Santa Fe Energy Operating Partners or the Bureau of Land Management.

David Catanach
April 18, 1990
Case No. 9870

Should you have any questions, Please let us know.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Ernest L. Padilla", written over a circular stamp or seal.

Ernest L. Padilla

ELP:pmc
Enclosures as stated
cc: Siete Oil & Gas Corporation
430.13

R. TALLA & SON, INC.
ATTORNEYS AT LAW
2100 W. MAPLE STREET
P.O. BOX 1213
SANTA FE, NEW MEXICO 87504-1213
(505) 938-7577

March 12, 1990

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: SUPPLEMENTAL LIST OF OFFSET OPERATORS (See attached list)

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

On March 7, 1990, Siete Oil & Gas Corporation presented its case to the Oil Conservation Division. Due to changes in the horizontal limits of the Parkway Bone Springs Pool, notice of the March 7, 1990 hearing was not given to the Supplemental List of Offset Operators attached hereto pursuant to the Division's Rule 120.

Accordingly, PLEASE TAKE NOTICE that the Application of Siete Oil & Gas Corporation will be re-opened at the Division's April 4, 1990 hearing docket beginning at 8:15 a.m. to consider further proceedings regarding the application. The hearing will take place at the Division's conference room on the second floor of the State Land Office Building, Santa Fe, New Mexico.

You are further advised that the following operators have given Siete Oil & Gas Corporation waivers of objection to the application:

1. Strata Production Company
2. UIC Petroleum
3. Meridian Oil Inc.
4. Ray Westall
5. Chevron, U.S.A.
6. Presidio Oil Company
7. Petroleum Corporation of Delaware

Should you desire to waive objection to the application, you may sign the enclosed waiver form and return it to the undersigned counsel for Siete Oil & Gas Corporation.

Respectfully submitted:

PADILLA & SNYDER

By:



Ernest L. Padilla

Padilla & Snyder

P. O. Box 2523

Santa Fe, New Mexico 87504

(505) 988-7577

ELP:pmc

Enclosure: Copy of Application

Waiver

cc: Siete Oil & Gas Corporation

WAIVER

TXO Production Corporation hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

TXO Production Corporation

By: _____

Title: _____

Date: _____

WAIVER

Yates Petroleum Corporation hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

Yates Petroleum Corporation

By: _____

Title: _____

Date: _____

WAIVER

J. C. Williamson hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

J. C. Williamson .

By: _____

Title: _____

Date: _____

WAIVER

Santa Fe Energy Operating Partners hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

Santa Fe Energy Operating Partners

By: _____

Title: _____

Date: _____

WAIVER

Bureau of Land Management hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

Bureau of Land Management

By: _____

Title: _____

Date: _____

LIST OF SUPPLEMENTAL OPERATORS

THO Production Corporation
909 Wilco Bldg.
415 W. Wall Street
Midland, TX 79701

Yates Petroleum Corporation
P. O. Box 2323
Sunwest Centre, Suite 1010
Roswell, NM 88202

J. C. Williamson
500 W. Texas, Suite 890
Midland, TX 79701

Santa Fe Energy Operating Partners
500 West Illinois, 5th Floor
Midland, TX 79701
Attn: George Nilsen

Bureau of Land Management
P. O. Box 1778
Carlsbad, NM 88220

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Bureau of Land Management P. O. Box 1778 Carlsbad, NM 88220	4. Article Number 155 277 935 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid) <i>Siete</i>
6. Signature — Agent X <i>[Signature]</i>	
7. Date of Delivery <i>8/10/90</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

5. Article Addressed to: Santa Fe Energy Operating Partners 500 W. Illinois Midland, TX 79701 Attn: George Nilsen	4. Article Number 155 277 934 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid) <i>Wanda Wade</i>
6. Signature — Agent X <i>Wanda Wade</i>	
7. Date of Delivery <i>3-14-90</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

5. Article Addressed to: J. C. Williamson 500 W. Texas, Suite 390 Midland, TX 79701	4. Article Number 155 277 933 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid) <i>J. C. Williamson</i>
6. Signature — Agent X <i>J. C. Williamson</i>	
7. Date of Delivery <i>3-14-90</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: TYO Production Corp. 900 Wilco Bldg. 415 W. Wall St. Midland, TX 79701	4. Article Number P155 277 931 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Address X	8. Addressee's Address (ONLY if requested and fee paid) RECEIVED
6. Signature — Agent X <i>[Signature]</i>	
7. Date of Delivery 3-14-90	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☐ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Yates Petroleum Corp. P. O. Box 2323 Sunwest Centre, Suite 1010 Roswell, NM 88202	4. Article Number P155 277 932 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Address X <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid) RECEIVED
6. Signature — Agent X	
7. Date of Delivery	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

WAIVER

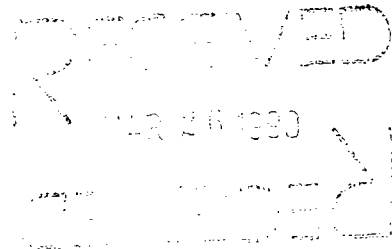
J. C. Williamson hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

J. C. Williamson

By: J. C. Williamson

Title: Manager

Date: February 26, 1933

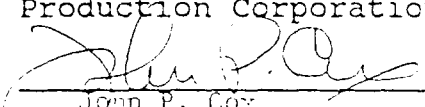


WAIVER

TXO Production Corporation hereby waives any objection, notice and right to hearing of the Application of Siete Oil & Gas Corporation for a GOR Limitation Determination of 10000 to 1 for the Parkway Bone Springs Pool in Eddy County, New Mexico.

TXO Production Corporation

By:



John P. Cox

Title:

District Land Manager

Date:

March 20, 1990



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

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

March 13, 1990

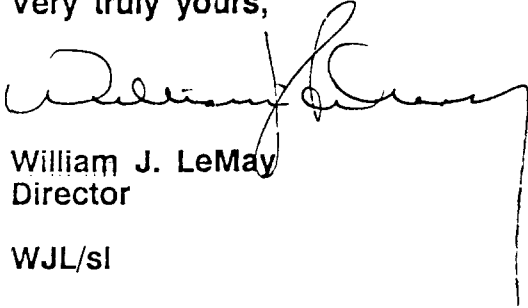
Mr. Ernest L. Padilla
Padilla & Snyder
P. O. Box 2523
Santa Fe, New Mexico 87504-2523

RE: Case No. 9870; Application of Siete Oil & Gas Corporation for GOR
Limitation

Dear Mr. Padilla:

As per our telephone conversation today, Siete is hereby given authority effective immediately to produce their wells in the captioned case at a maximum GOR rate of 10,000 to 1 on a temporary basis until an order in this case is signed. Said temporary production should be at Siete's own risk with the potential for making up overproduction if the order sets GOR limits below Siete's requested 10,000 to 1.

Very truly yours,


William J. LeMay
Director

WJL/si