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February 20, 1990

State of New Mexico
Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

9887

Attn: William J. LeMay, Director

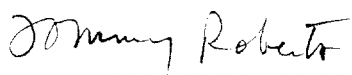
Re: Application for Compulsory Pooling
Hixon Development Company
San Juan County, New Mexico

Gentlemen:

By letter dated February 15, 1990, Hixon Development Company filed an application for an Order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 17, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico. The application, as submitted, erroneously referred to the New Mexico Federal "B" No. 1 Well (CBU 42). It should have referred to the Bisti Coal 17 No. 1 Well. Please note this change and advertise the subject application accordingly.

We apologize for any inconvenience this may have caused. Thank you for your attention to this matter.

Sincerely,



TOMMY ROBERTS

TR:nk

xc: Charles Foster
Hixon Development Company

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Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Attn: William J. LeMay, Director

Re: Application for Compulsory Pooling
Hixon Development Company
San Juan County, New Mexico

Gentlemen:

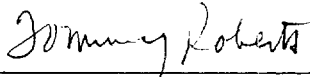
Please consider this letter the formal application of Hixon Development Company for an Order of the New Mexico Oil Conservation Division force-pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 17, Township 25 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, forming a standard 320.00 acre coal gas spacing and proration unit for said pool, to be dedicated to its New Mexico Federal "B" No. 1 Well (CBU 42) to be drilled at a standard coal gas well location 790 feet from the North line and 790 feet from the East line (Unit A). Hixon Development Company requests that such Order designate Hixon Development Company as the operator of the proposed well and that it provide for the recovery by Hixon Development Company and other joining parties of the costs of drilling, completing, equipping and operating the proposed well, together with a reasonable charge for risk involved in drilling the well. In addition, Hixon Development Company requests that such Order establish a reasonable charge for the supervision of the well during the drilling and production stages.

Please place this application on the March 21, 1990 Docket of the New Mexico Oil Conservation Division. Please advise should you require any additional information.

New Mexico Oil Conservation Div.
February 15, 1990
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As a final matter, we are hereby withdrawing the Application for Compulsory Pooling and Unorthodox Coal Gas Well Location, Case No. 9864, which had been rescheduled for the February 21, 1990 Examiner Hearing.

Sincerely,



TOMMY ROBERTS, Attorney
for Hixon Development Company

TR:nk

xc: Supervisor, District III Office
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Charles O. Foster
Hixon Development Company