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June 16, 1998

HAND-DELIVERED

12001

Lori Wrotenberry, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87503

> Re: Application of Petroleum Development Corporation for Approval of a Unit Agreement, Lea County, New Mexico

Dear Ms. Wrotenberry:

Enclosed in triplicate is the Application of Petroleum Development Corporation ("PEDCO") in the above-referenced case as well as a copy of the legal advertisement. PEDCO respectfully requests that this matter be placed on the docket for the July 9, 1998 Examiner hearings.

Very truly yours,

, for

WILLIAM F. CARR

WFC:mlh Enclosures

cc: Don C. Pfiester, President (w/enclosures)
Energy Pro, Inc.
500-A S. Hangar Drive
Georgetown, TX 78628

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF PETROLEUM DEVELOPMENT CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 1207

APPLICATION

PETROLEUM DEVELOPMENT CORPORATION ("PEDCO"), through its undersigned attorneys, hereby makes application for an order approving its T.P. "A" State Unit Agreement and in support of this application would show the Division:

1. That the proposed Unit consists of 160 acres, more or less, of State lands,

situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 10 South, Range 36 East, NMPM

Section 15:	W/2 SW/4
Section 16:	E/2 SE/4

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, PEDCO, is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations is unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Petroleum Development Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 9, 1998, that notice be given as required by law and the rules of the Division, and that the T.P. "A" State Unit Agreement be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

for By:

WILLIAM F. CARR Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR PETROLEUM DEVELOPMENT CORPORATION

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