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February 9, 1999

HAND-DELIVERED

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

12133

Re: *Application of Saga Petroleum L.L.C. for Approval of a Unit Agreement,
Lea County, New Mexico*

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Saga Petroleum L.L.C. in the above-referenced case as well as a copy of the legal advertisement. Saga Petroleum L.L.C. requests that this matter be placed on the docket for the March 4, 1999 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh
Enclosures

cc: Mr. Joe Compton
Post Office Box 2458
Midland, Texas 79702

OIL CONSERVATION DIV.

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

APPLICATION OF SAGA PETROLEUM L.L.C.
FOR APPROVAL OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

CASE NO. 12133

APPLICATION

SAGA PETROLEUM L.L.C., through its undersigned attorneys, hereby makes application for an order approving its Crossroads Siluro-Devonian Exploratory Unit and in support of this application states:

1. That the proposed Unit consists of 800 acres, more or less, of Fee lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 9 South, Range 36 East, N.M.P.M.

Section 27: N/2, SE/4
Section 34: E/2

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, Saga Petroleum L.L.C., is designated as Unit Operator in said Unit Agreement and all oil and gas in the Devonian formation is unitized.

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

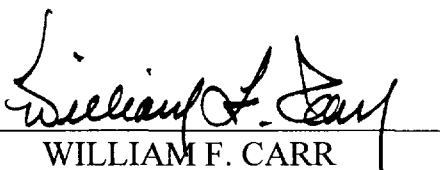
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OIL CONSERVATION DIV.

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, Saga Petroleum L.L.C. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 1999, that notice be given as required by law and the rules of the Division, and that the Crossroads Siluro-Devonian Unit be approved.

Respectfully submitted,

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

By: 

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

ATTORNEYS FOR SAGA PETROLEUM L.L.C.