



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OLD Artesia

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

January 27, 2005

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**Pecos Production Company**  
400 W. Illinois – Suite 1070  
Midland, Texas 79701

Attention: **William R. Huck**  
Vice-President & Operations

RECEIVED

FEB 02 2005

OCD-ARTESIA

**Re:** Application submitted on January 20, 2005 (administrative application reference No. pSEM0-502038261) for an exception to Division Rule 104.C (2) (b) in order to locate and complete two Morrow producing wells with the same quarter section of a standard 320.08-acre stand-up deep gas spacing unit comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 4, Township 18 South, Range 31 East, NMPM, East Cedar Lake-Morrow Gas Pool (74605), Eddy County, New Mexico.

Dear Mr. Huck,

Since Division Rule 104.C (2) (b) was implemented by Division Order No. R-11231 in Case No. 12119 on August 12, 1999 the Division has set all such request for hearing,

I have prepared the following advertisement for the next available Division Hearing Examiner's docket scheduled for March 3, 2005.

**"CASE \_\_\_\_\_: Application of Pecos Production Company for an exception to Division Rule 104.C (2) (b), Eddy County, New Mexico.** Applicant seeks to simultaneously dedicate its: (i) Anadarko Federal Well No. 1 (API No. 30-015-31455), located at a standard deep gas well location 1815 feet from the South line and 1650 feet from the West line (Unit K) of Section 4, Township 18 South, Range 31 East; and (ii) Anadarko Federal Well No. 2 (API No. 30-015-32852), located at a standard deep gas well location 660 feet from the South and West lines (Unit M) of Section 4, to the 320.08-acre gas spacing unit in the East Cedar Lake-Morrow Gas Pool (74605) comprising Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) of Section 4. The applicant at this time seeks an exception to Division Rule 104.C (2) (b) since both wells are located within the same quarter section (SW/4 of Section 4). This unit is located approximately 2 1/2 miles south of the junction of U.S. Highway 82 and N.M. State Road 529.

**Pecos Production Company**

**Division Administrative Application Reference No. pSEM0-502038261**

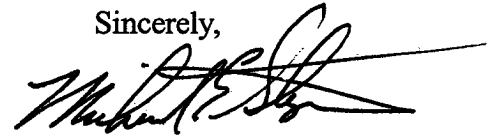
**January 27, 2005**

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Please provide proper notice to all offsetting operators or mineral interest owners pursuant to Division Rule 1207.A (2) (c).

Should you have any questions or comments concerning this matter, please contact your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
Mr. James Bruce, Legal Counsel for Pecos Production Company - Santa Fe  
Ms. Florene Davidson, NMOCD - Santa Fe