



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 15, 1993

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

Maralo, Inc.
P.O. Box 832
Midland, TX 79702

Attention: Dorothea Owens

**RE: *Application for Exception to Division General Rule 111.
Bonds Well No. 1; Unit H, Section 20, Township 9 South,
Range 35 East, Lea County, New Mexico.***

Dear Ms. Owens:

I am in receipt of your letter dated April 12, 1993 with the directional survey for the subject re-entry. I am a little confused with conflicting data between PI's Drilling Progress Report for this well and the information supplied me to date. To alleviate this confusion, please provide me a copy of Maralo's daily drilling report (morning phone report) for this well.

Should you have any questions or comments, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

xc: Oil Conservation Division - Hobbs
William J. LeMay - Director
William F. Carr - Santa Fe
Richard A. Gill - Division Engineer, Midland
Case File: 10670



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

April 5, 1993



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

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

Attn: Dorothea Owens

Re: Application for Exception to Division
General Rule 111. Bonds Well No. 1;
H-20-T9S-R35E, Lea County, New Mexico.

Dear Ms. Owens:

The Division is in receipt of your application dated March 31, 1993 for approval to re-enter the previously plugged and abandoned Hilliard Oil & Gas, Inc. Bonds Well No. 1 and intentionally deviate from the existing vertical portion of the wellbore to a predetermined bottom-hole location within the Devonian formation.

So that there is no misunderstanding due to calculation error on my part, please provide me a two dimensional diagram with tables, including rectangular coordinates with respect to the surface location and kick-off point, showing the exact track of Maralo's deviated wellbore.

As stated in my letter to Mr. Carr, dated March 29, 1993, an order in Case No. 10670 will be delayed until such time as this matter is resolved.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
William J. LeMay - Director
Case File: 10670
William F. Carr - Santa Fe
Richard A. Gill - Division Engineer, Midland



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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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BRUCE KING
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ANITA LOCKWOOD
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March 29, 1993

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

William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

**RE: Division Case No. 10670. Application of Maralo, Inc. for
pool creation, special pool rules and discovery allowable,
Lea County, New Mexico.**

Dear Mr. Carr:

Per our telephone conversation concerning my letter of March 3, 1993 whereby you referenced Division Order No. R-6089, issued to Hilliard Oil and Gas, Inc. in Case No. 6629 and dated August 28, 1979, as the authorizing directional drilling order for the Bonds Well No. 1 in the NE/4 of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

This order authorized Hilliard Oil and Gas, Inc. to directionally drill to a specific target area, which as my record indicate was done, but was subsequently plugged and abandoned. Since Maralo is re-entering this well and drilling in a different direction from the old well, the authorization of Order No. R-6089 is invalid. A new directional drilling order is required for this well to address the change in direction. Because Maralo, Inc. has not sought any such authorization for any new directional drilling to be performed on this well, it would appear that Maralo is in violation of General Rule 111.

Until this matter is resolved, an order in Case No. 10670 will be delayed and may eventually be dismissed if such action to correct this situation has not been taken in a timely manner.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Hobbs
William J. LeMay, Director
Case File: 10670



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 3, 1993

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

William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, NM 88504-2208

RE: Division Case No. 10670. Application of Maralo, Inc. for pool creation, special pool rules and discovery allowable, Lea County, New Mexico.

Dear Mr. Carr:

I am in receipt of the form C-101 for the Bonds Well No. 1 that you sent over yesterday, however, I still need the Division's authorization for an exception to Rule 111 on this well. Such approval would be either an administrative order designated "DD" for directional drilling or an "R-Order" if there had been a hearing.

As your client stated at the hearing, this information is available and is necessary in order to process this application in a timely manner.

Should you have any questions or comments concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ãmg

cc: Oil Conservation Division - Hobbs
William J. LeMay - Director, OCD
Case File: 10670