



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 4, 1995

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

Attention: Dorothea Logan

Re: *Administrative Application of an Unorthodox Gas Well Location for the proposed Johnson "19" Well No. 1 (API No. 30-025-32906), to be drilled 2310'FSL - 990'FEL (Unit I) of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.*

Dear Ms. Logan:

The subject application dated March 31, 1995 was received by the New Mexico Oil Conservation Division in Santa Fe on April 4, 1995. I found, subsequent to my review, that this application can not be processed administratively. The "Special Rules and Regulations for the Northeast Jenkins-Devonian Pool", as promulgated by Division Order No. R-9912, as amended, provides for administrative exceptions to the well location requirements only when necessitated by topographic conditions or for the recompletion of an existing well previously drilled to a deeper horizon. Your unorthodox location is based on geologic conditions. Further, the 80 acres to be dedicated to this well, as shown on the OCD Form C-102 attached to the application, comprising the SE/4 NE/4 and NE/4 SE/4 of said Section 19, is inconsistent with **Rule 2** of said special pool rules which provides for 80-acre units to comprise the N/2, S/2, E/2 or W/2 of a single governmental quarter section.

Since no further administrative action can be taken on this application, I have caused this matter to be placed on the next available docket for hearing before a Division Examiner scheduled for May 4, 1995.

Please provide proper notice of this case to all parties pursuant to the applicable provision in **Rule 1207** of said Division's General Rules.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
William J. LeMay, Director - OCD, Santa Fe
William F. Carr - Santa Fe