



PETROLEUM

October 25, 2000

Oil Conservation Division
Mr. Michael Stogner
Chief Hearing Officer/Engineer
2040 South Pacheco
Santa Fe, NM 87505

Re: Bluit SA 18 Federal #12 & #14
Sec. 18, T8S, R38E
Bluit SA 13 Federal #14
Sec. 13, T8S, R37E
Roosevelt County, NM

Gentlemen:

Administrative approval to form a non-standard 240-acre gas spacing and proration unit comprising the W/2 NW/4 and SW/4 of Section 18, T8S, R38E to which both the Bluit 18 Federal Well Nos. 5 and 11 were simultaneously dedicated was granted to Plains Petroleum Operating Company. Saga Petroleum LLC became the operator of these wells March 1, 2000 and has recently recompleted two shut-in P₂ San Andres wells to the P₁ San Andres as gas wells. Saga respectfully requests Well Nos 12 & 14 be included in the non-standard proration unit, thereby having 4 wells simultaneously dedicated to same. Form C-102 is enclosed with each well spotted in the correct unit letter of Section 18.

Plains Petroleum Operating Company, to which both the Bluit 13 Federal Well Nos 15 and 11 were simultaneously dedicated, formed a standard 320-acre gas spacing and proration unit comprising the S/2 of Section 13, T8S, R37E in 1994. Saga Petroleum LLC has recently recompleted the Bluit SA 13 Federal No 14 as a P₁ gas well. At this time, Saga respectfully requests Well No 14 be included in the 320-acre proration unit with well numbers 15 and 11. Form C-102 is enclosed with each well spotted in the correct unit letter of Section 13.

Should you have any questions, please contact the undersigned.

Very truly yours,

SAGA PETROLEUM LLC

BY

Bonnie Husband

Bonnie Husband
Production Analyst

Enclosures

cc: OCD - Hobbs
BLM - Roswell

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