



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

December 19, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Saga Petroleum, L.L.C.
415 W. Wall - Suite 1900
Midland, Texas 79701

Attention: Bonnie Husband

Re: *The inclusion of an additional infill gas well within an existing 320-acre standard gas spacing and proration unit in the Bluit-San Andres Associated Pool comprising the S/2 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.*

Dear Ms. Husband:

My review of your letter dated October 25, 2000 concerning Saga's proposal to include the Bluit SA "13" Federal Well No. 14 into the subject 320-acre standard gas spacing and proration unit indicates that this well is unorthodox pursuant to **Rule 2 (b)** of the "*Special Rules and Regulations for the Bluit-San Andres Associated Pool*," as promulgated by Division Order No. R-5353, as amended. Therefore, an application with adequate notification will be required pursuant to **Rule 2 (c)** of the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluit-San Andres Associated Pool*," also set forth in Division Order No. R-5353, as amended.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs