



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

December 18, 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 two additional gas wells within an existing 240-acre non-standard gas spacing and proration unit in the Bluitt-San Andres Associated Pool comprising the W/2 NW/4 and the SW/4 of Section 18, Township 8 South, Range 38 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 Bluitt SA "18" Federal Wells No. 12 and 14 into the subject 240-acre non-standard gas spacing and proration unit approved by Division Administrative Order NSP-1682-A (L) (SD), dated April 6, 1995, indicates that both wells are unorthodox pursuant to **Rule 2 (b)** of the "*Special Rules and Regulations for the Bluitt-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 Bluitt-San Andres Associated Pool*," also set forth in Division Order No. R-5353, as amended.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs ✓