



MARTIN EXPLORATION MANAGEMENT CORPORATION

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DEC 13 1985

December 13, 1985



Dr. William D. Averett
204 East Baseline Road
Lafayette, CO 80026

COLO. OIL & GAS CONS. COMM.

RE: *Sinkey #1-19*
Township 1 North, Range 69 West
Section 19: SE/4
Boulder County, CO

Dear Dr. Averett:

I am writing to you in response to your letter dated December 3, 1985. Paragraph 2 of your letter references the Colorado Oil and Gas Conservation Commission's Order Number 407, as amended, concerning designated spacing requirements for the Codell formation. Please be advised that the Sinkey #1-19 was drilled and put on production on December 1, 1983, before the Commission's order became effective. It follows that the amendment to the order requiring operators to designate 80 acre units, does not apply to wells producing prior to the entry of the original order. Even if the unit designation were required, it would have no effect as all interest owners of the Sinkey #1-19 have executed a Declaration of Pooling, ratifying a SE/4 unit for the well.

Your proposal committing Martin to drill a second well in the SE/4 of Section 19, Township 1 North, Range 69 West in return for an oil and gas lease covering your lands is unacceptable as Martin holds a valid lease by production (Trommershausen Lease), which includes all of your mineral estate.

Sincerely,

MARTIN EXPLORATION
MANAGEMENT CORPORATION

Stephen A. McLaughlin

Stephen A. McLaughlin
Attorney

cc: George Stankiewicz

SAM/bkg