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8328 Valmont Road
Boulder, Colorado, 80301
December 21, 1985

COLO. OIL & GAS CONS. COMM.

Mr. Wm. Smith, Director
Colo. Oil & Gas Commission
Department of Natural Resources
Suite 380, Logan Tower Building
1580 Logan Street
Denver, Colo., 80203

Dear Mr. Smith,

It is the purpose of my letter to request an 80 acre unit designation in the S/2 of the SE/4 Sec. 19 T1N R69 W that includes the Sinkey 1-19 well operated by Martin Exploration Management Corporation. You will find enclosed a letter from Martin outlining their position in this matter.

My land is the west 30 acres of the NW/4 SE/4 Section 19 that was leased for five years beginning April 4, 1980 by Hubert J. Bell, Jr. and assigned to Gemini Corporation of McCook, Nebraska. Martin took a farmout from Gemini on the SE/4 Section 19, drilled and put the Sinkey 1-19 into production approximately December 10, 1983.

Before drilling the Sinkey 1-19 Martin sent around unitization papers that designated the SE/4 of Sec. 19 as the unit for the Sinkey well. I declined to join the unit and stated to Martin that they would have to drill a second well in the SE/4 of Sec. 19 to hold my lease pursuant to the pooling clause contained in that lease.

My contention is that the permit issued to drill the Sinkey 1-19 was issued on 40 acre statewide spacing although the Codell-Niobrara in my township was not spaced until December, 1983. According to the pooling clause in my lease (paragraph 13), unitization shall be into units not exceeding the minimum size tract on which a well may be permitted. Any unit formed must be executed and recorded by condition of my lease. I find no recorded unit that includes my lands.

It is my understanding that the state oil and gas commission is charged with encouraging development of the mineral resources under its jurisdiction consistent with waste prevention and conservation.

Designation of an 80 acre unit in the S/2 SE/4 Section 19 will exclude my lands and allow me to develop my mineral resources. If it is in the scope of your authority, please help me to get a release filed on my lands to lift the cloud on the title of my minerals and secure their development.

Sincerely,

W. D. Averett