



STATE OF COLORADO  
OIL AND GAS CONSERVATION COMMISSION

DEPARTMENT OF NATURAL RESOURCES  
SUITE 380 LOGAN TOWER BUILDING  
1580 LOGAN STREET  
DENVER, COLORADO 80203

WILLIAM R. SMITH  
Director  
  
FRANK J. PIRO  
Deputy Director

(303) 866-3531

RICHARD D. LAMM  
Governor

January 10, 1986

Mr. Stephen A. McLaughlin  
Attorney at Law  
Martin Exploration Management Corporation  
2300 Central Avenue, Suite "A"  
Boulder, Colorado 80301

RE: #19-1 Sinkey  
SW SE 19-1N-69W

Dear Mr. McLaughlin:

On December 23, 1985 we received a letter from Dr. W. D. Averett requesting the Commission to designate an 80-acre drilling and spacing unit for the subject well. Attached to his letter was a copy of your letter to him refusing to designate, together with documents indicating a voluntary pooling of the southeast quarter of Section 19 has been satisfied.

The legal status of a specific Declaration of Pooling is a matter for determination by the courts; however, Order No. 407-1, and subsequent orders in Cause No. 407 of the Commission, established 80-acre drilling and spacing units for the production of oil and gas from the Codell-Niobrara Spaced Area. Order No. 407-17 specifically provided an amendment to Rule 2 as follows: "Should a unit not be designated by the operator of the first well drilled in the quarter section, the Director shall designate a drilling unit for said well and so advise the operator. If within 30 days the operator objects to said designation, he shall advise the Director and the matter shall be set for hearing before the Commission". One of the purposes of this amendment was to get disputes such as that between Martin Exploration and Dr. Averett into the proper jurisdictional framework.

Mr. Stephen A. McLaughlin  
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You are hereby advised that I designate the S1/2 of the SE1/4 of Section 19, Township 1 North, Range 69 West, 6th P.M. as the drilling and spacing unit for the #19-1 Sinkey well.

Very truly yours,

*William R. Smith*

William R. Smith, P.E.  
Director

WRS:bm

cc: Dr. W. D. Averett