

Farmington, New Mexico
August 17, 1989

Mr. William J. LeMay
Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87502-2088

Dear Mr. LeMay

In accordance with rule 414 we are requesting a hearing to clarify the accounting (or lack of) on the following described oil and gas producing properties.

Newberry B-1 and Newberry B-1-E situated in Twn. 32 N. R 12W
NMPM Sec. 35 W/2 San Juan County New Mexico.

We are royalty interest owners in this property. Meridian Oil and El Paso Natural Gas Co. are the working interest owners.

Meridian Oil Co. contends the reason we are not receiving any monies from the production is the gas is accounted for through a gas balancing agreement. We feel differently. When gas/oil /condensate is produced we want paid.

Respectfully Yours,

Walter E. Dial

Robert R. Dial

cc: Frank Chavez