



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

August 3, 2004

Saba Energy of Texas, Inc.
P.O.Box 6209
Santa Maria, CA 93456

Mr. Michael A. Short
Short & Johnston
P.O. Box 2890
Midland, TX 79702-2890
FAX No. (432)-653-8855

**Re: Case No. 13163; Application of the New Mexico Oil Conservation Division
for an Order Requiring Saba Energy of Texas, Inc. to Properly Plug and Abandon Six
Wells, Etc.**

Ladies and Gentlemen:

Pursuant to the direction of the Oil Conservation Commission, I transmit to the parties herewith a copy of a draft order on Saba's appeal of this case to the Oil Conservation Commission. The appeal was heard on July 15, 2004. It is anticipated that this order will be adopted by the Commission at its next regular meeting on August 12, 2004.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel