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May 19, 2005

Mr. Will Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
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RECEIVED

MAY 23 2005

OIL CONSERVATION
DIVISION

Re: NMOCD Case No. 13487; Application of Preston Exploration Company for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Jones:

In accordance with the request made by Ms. MacQuestan at the May 19, 2005 hearing in the above matter, enclosed are copies of (1) Trustee's Motion To Sell Real and Personal Property, (2) Order Approving Trustee's Motion To Sell, and (3) a copy of the Assignment and Conveyance of Oil and Gas Leases and Interests Therein. (In re: *Santa Fe Exploration Company*, U.S. Bankruptcy Court, Western District of Texas No. 96-31711-LK).

Although the Trustee's Assignment and Conveyance did not specifically describe the interest of Santa Fe Exploration Company in the lands that are the subject of Preston Exploration Company's compulsory pooling application, we are now satisfied that based on the documentation supplied, no third party is able to claim the interests in the subject lands that Cimarron Exploration Company claims to have acquired from the Santa Fe Exploration bankruptcy proceeding.

Should further information be required, please do not hesitate to contact me.

Very truly yours,

MILER STRATVERT P.A.

J. Scott Hall

J. Scott Hall

JSH/glb

Enclosures

cc: Gail MacQuesten, Esq. (w/encl.)
Jesse Blue (w/o encl.)

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WJT 5/23/05