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August 19, 2005

Florene Davidson:
Hearing Clerk
EMNRD
Oil Conservation District
1220 So. St. Francis Drive
Santa Fe, NM 87505

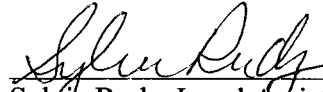
Re: Case No. 13480 - Request for Clarification

Dear Ms. Davidson:

Enclosed please find the original and two copies of GMI's *Request for Clarification*, which was fax filed today. Please file the original and return an endorsed copy in the envelope provided.

Thank you for your courtesies in this matter.

Sincerely,
DOMENICI LAW FIRM, P.C.


Sylvia Rudy, Legal Assistant

Encls.

cc: Gail MacQuestren
Donald Neeper, Ph. D.
Michael H. Feldewert
Bill Marley

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2005-010-02 PM - 2
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF GANDY MARLEY, INC.
TO MODIFY THEIR EXISTING NMOCD
RULE 711 PERMIT NO. NM-01-019

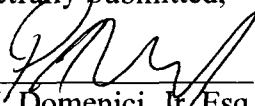
CASE NO. 13480

REQUEST FOR CLARIFICATION

A hearing was held in this case on May 23, 2005, before Hearing Examiner William V. Jones of the Oil Conservation Division ("the Division" or "OCD"). Order No. R-12306-B, denying GMI's application for a permit modification, was issued by the Division on August 5, 2005. The Order includes two sections: Section I titled "Decision" and Section II titled "Order." In the "Order" section, the Division provides GMI with the opportunity to submit a revised application "in conformity with Rule 711." (Order No. R-12306, at p.19, ¶8, p. 20, ¶3, 4). The Order also states that the revised application, after submittal by GMI and public notice, will be referred by the Division Director directly to the Commission for further proceedings. (*Id.* at p. 20, ¶5).

The "Decision" section of Order No. R-12306 includes a lengthy discussion of the requirements for a permit modification application under Rule 711 and a number of statements and recommendations concerning the permit modification. GMI requests a clarification from the Division that, if GMI files a revised application, the statements and technical recommendations in the "Decision" section of Order No. R-12306, including but not limited to those in Sections I, K, and the 6th and 7th paragraphs of Section J, are advisory and will not be binding on the parties or the Commission.

Respectfully Submitted,



Pete V. Domenici, Jr., Esq.
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I hereby certify that a true and
correct copy of the foregoing was
served on all parties of record on the 19th
day of August, 2005.



Pete V. Domenici, Jr., Esq.