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NOT ADMITTED IN NEVADA

August 19, 2014

Via Facsimile (505) 476-3462 and Email: Florene.Davidson@state.nm.us

Case 15191

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico, 87505

Re: Application to Amend Order No. R-12984
Subj: *Priority Energy, LLC*

To Whom It May Concern:

My name is David A. Giannotti, and I am submitting this letter with comments on behalf of my client, Priority Energy, LLC, in connection with the Application to Amend Order No. R-12984 ("Application").

My client received a letter from the law firm of Holland & Hart dated July 28, 2014 on or about August 14, 2014, advising of this Application and attaching what is represented to be a copy the Application. The letter gives notice of a hearing schedule for August 21, 2014, and that if we wish to appear and give evidence, we must give you notice at least four business days in advance of the hearing. The letter advises that failure to appear and become a party of record will preclude any challenges to the Application.

As my client did not receive timely notice of the hearing and schedule, it has not had adequate time to evaluate the application and possible impacts on its interests. Therefore we request a waiver of the notice to have someone attend the hearing, and give notice that my co-counsel, Max Beatty with the law firm of Diamond McCarthy, will attend the hearing. Further, we request relief from the deadline in order to have reasonable time to evaluate possible impacts on my client's operations and thus enable us to submit comments and other information we deem relevant to the Application.

I note further that no information was provided in the letter or the Application as to whether the Ute Mountain Ute Tribe, owners of the property and mineral rights leased by my client, was notified of this application.

Letter to NM Oil Conservation Division
August 19, 2014
Page 2

Please contact me if you have any questions or need further information. We appreciate your consideration of our requests.

Very Truly Yours,

/s/ David A. Giannotti

David A. Giannotti

DAG/laj

Encl: (Holland & Hart letter dated July 28, 2014)

HOLLAND & HART



Michael H. Feldewert
Recognized Specialist in the Area
of Natural Resources - oil and gas law
New Mexico Board of Legal
Specialization
m.feldewert@hollandhart.com

July 28, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**TO: ALL NEW MEXICO OIL CONSERVATION DIVISION DESIGNATED OPERATORS IN
THE SAN JUAN BASIN**

Re: Application To Amend Order No. R-12984 To Remove Certain Acreage From The Basin-Mancos Gas Pool (97232); To Create A Mancos Oil Pool With Special Pool Rules; To Exempt Horizontal Wells From Pre-Existing Pools In The Subject Area And Restrict Those Pools To Current Boundaries; To Abolish Oil Allowables In The Subject Area; To Retain For The New Oil Pool The Authority To Downhole Commingle Production From The Mancos, Mesaverde And Dakota Formations Provided By Order No. R-12984-B; And To Amend The Special Rules For The Counselors Gallup-Dakota Pool (13379); San Juan, Rio Arriba, Sandoval And McKinley Counties, New Mexico.

This letter is to advise you that ConocoPhillips Company, Encana Oil & Gas (USA) Inc., Logos Resources, LLC, and WPX Energy Production, LLC ("Applicants") have filed the enclosed application with the New Mexico Oil Conservation Division.

This application has been set for hearing before a Division Examiner at 8:15 AM on August 21, 2014. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

A party who intends to present evidence at the hearing is required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office at least four business days in advance of a scheduled hearing, but no later than 5:00 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Questions concerning this application should be directed to Chuck Creekmore at (505) 324-6122 or chuck.creekmore@conocophillips.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR CONOCOPHILLIPS COMPANY,
ENCANA OIL & GAS (USA) INC., WPX ENERGY
PRODUCTION, LLC

Holland & Hart LLP

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