

# MADISON M. HINKLE

PETROLEUM LANDMAN

ROSWELL, NEW MEXICO 88202-2292

March 24, 2006

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New Mexico Oil Conservation Commission  
Attn: Mr. Mark Fesmire, Chairman  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: NMOCC Case No. 13589; Application of Duke Energy Field Services, LP for Approval of an Acid Gas Injection Well, Lea County, New Mexico

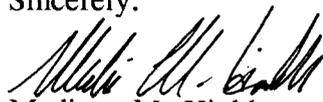
Dear Mr. Fesmire:

We are the owners of 91.1667% of the mineral interest underlying the W1/2NE1/4, NW1/4 of Section 30 T-18-S, R-37-E and the NE1/4, E1/2NW1/4 Section 25 T-18-S, R-36-E in Lea County. We are also Petroleum Landman by profession and are very familiar with the industry. We only this week became aware of the proposal of Duke Energy Field Services to inject hydrogen sulfide and carbon dioxide acid-gas in to the Bone Spring formation through a well located only 660' from our property in the SW/14 of Section 30 T-18-S, R-37-E. Although we are interest owners of record, Duke Energy Field Services did not notify us of their proposal or communicate with us in any way. We feel that we have been denied the opportunity to participate in the Commissions hearing and to protect our interests.

We understand that the significant volumes of acid-gas Duke Energy proposes to inject underground will necessarily trespass onto our mineral interests in Section 30. We believe the area definitely has potential for further oil and gas development and that our mineral interests will be adversely affected by Duke Energy's proposed operation if approved by the Commission. We specifically deny that Duke Energy has the right to utilize our lands in any way.

We strenuously object to Duke Energy's application for underground injection of hazardous substances and ask that it be denied.

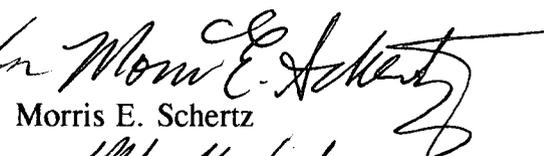
Sincerely:

  
Madison M. Hinkle

  
Rolla R. Hinkle III

  
Randolph M. Richardson

  
Oscura Resources, Inc.

  
Morris E. Schertz

  
R.R. Hinkle Company, Inc.