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February 26, 2007

HAND DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Oil Conservation Division Case No. 13589: Application of Duke Energy Field Services, LP for an acid gas injection well, Lea County, New Mexico.

Dear Mr. Fesmire;

On May 5, 2006, the Division entered Order No. R-12546 which granted the application of Duke Energy Field Services, LP. in the above-referenced case and authorized the injection of acid gas into the Lower Bone Springs (Wolfcamp) through a well to be drilled at a location 1980 feet from the South and West lines of Section 30, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. The well will be used for the purpose of disposing natural gas processing wastes from Duke Energy Field Services' Linam Plant located in the NE/4 of Section 6, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico. .

Order R-12546 provides that the injection authority granted by this order shall terminate if Duke Enrgy Field Services, LP has not commence injection operations within one year of the order's effective date (May 5, 2007) unless The Division Director, upon written request of the operator, extends the order for good cause shown. See, Order Paragraph S.

Duke Energy Field Services intends to drill this acid gas injection well but has encountered delays in obtaining necessary approvals from other New Mexico State Agencies that will delay the commencement of injection operations until after May 5, 2007. Duke Energy Field Services will be unable to commence drilling prior to the current deadline set by this order and, at present, cannot determine when pending permits will be issued. Therefore, pursuant to the provisions of Order No. R-12546, Duke Energy Field Services, LP hereby request an extension of Order No. R-12546 from May 5, 2007 to May 5, 2008.



Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr

cc: Joshua Epel. Esq.