



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
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April 8, 1999

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Re: **Application of Yates Petroleum Corporation and Hanley Petroleum Inc.
for allowable reduction, and the escrow of production proceeds,
Lea County, New Mexico.** Case No. 12086

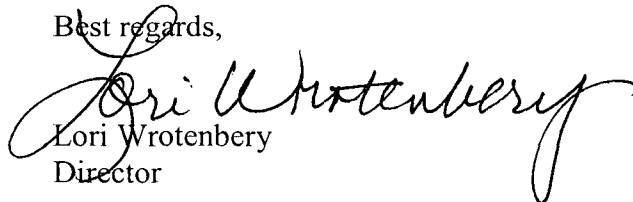
**Application of Energen Resources Corporation
for allowable reduction, West Lovington Strawn Unit,
Lea County, New Mexico.** Case No. _____

Gentlemen:

On October 8, 1998, Yates Petroleum Corporation and Hanley Petroleum, Inc. ("Hanley-Yates") filed their above-referenced application. On March 4, 1999, Energen Resources Corporation ("Energen") filed its above-referenced application. By letter dated March 4, 1999 Energen requested that its application be consolidated with the Hanley-Yates application. Energen also requested that the consolidated case be set for hearing before the Oil Conservation Commission.

The Hanley-Yates and Energen applications will be consolidated as Case No. 12086. However, the consolidated case will be set for hearing before an Oil Conservation Division hearing examiner.

Best regards,


Lori Wrotenberg
Director

cc: James Bruce
W. Thomas Kellahin