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February 7, 1995

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

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FEB 7 1995

Oil Conservation Division

Case 11225

Re: Application of Armstrong Energy Corporation for Amendment of the Special
Pool Rules for the Northeast Lea-Delaware Pool, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Armstrong Energy Corporation in the above-referenced matter. Also enclosed is a draft of a legal advertisement for this case.

As you are aware, the Special Pool Rules for this pool were promulgated by the Commission on a **De Novo** appeal of an Examiner Order denying Armstrong's application for a special oil allowable. This has been reopened and is scheduled for hearing before a Division Examiner on March 16, 1995.

Armstrong believes that the determination of whether this special oil allowable should be adopted on a permanent basis should be made by the Commission. At the time of hearing, Armstrong is prepared to build upon the record it made before the Commission in January, 1994 and review the subsequent information acquired from the wells in this pool.

To avoid unnecessary hearings on these applications, Armstrong Energy Corporation requests that the hearing in Case 10653 concerning the adoption of permanent rules for the Northeast Lea-Delaware Pool be continued and set before the full Commission on March 9, 1995 and that the enclosed application for a special gas-oil ratio for this pool of 3,000 to 1 also be set for hearing on that date. At the time these cases are called, Armstrong will request that the cases be consolidated for the purpose of testimony.