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RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

March 10, 1998

HAND DELIVERED

Ms. Lori Wrotenbery
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

11368

Re: NMOC Case 11368 (Reopened)
Application of Plains Petroleum Operating Company
for Expansion of its Teague-Simpson (McKee)
Pressure Maintenance Project and to Qualify
Said Expansion Area for the Recovered Oil Tax Rate
Pursuant to the "New Mexico Enhanced Oil
Recovery Act," Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Plains Petroleum Operating Company, please find enclosed our referenced application to expand a previously approved pressure maintenance project which we request be set for hearing on the next available Examiner's docket now scheduled for April 2, 1998.

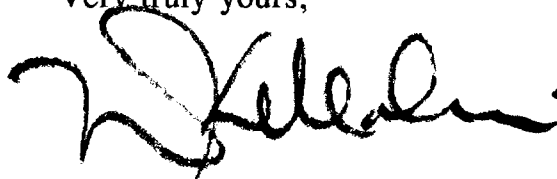
By copy of this letter and application, sent certified mail, we are notifying all interested parties within a 1/2 mile radius of the subject injection wells of their right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application and that failure to appear at the hearing may preclude them from any involvement in this case at a later date.

Mr. Michael E. Stogner
August 29, 1995
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Pursuant to the Division's Memorandum 2-90, all parties are hereby informed that if they appear in this case, then they are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, March 27, 1998, with a copy delivered to the undersigned.

Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Plains Petroleum Operating Company and
By Certified Mail - Return Receipt
All Parties Listed in Application

PROPOSED ADVERTISEMENT

CASE 11368 (Reopened) Application of Plains Petroleum Operating Company for expansion of a previously approved pressure maintenance project and to qualify said expansion for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks to expand its Teague-Simpson (McKee) Pressure Maintenance Project approved by Order R-10474 to include the NE/4 of Section 34 and the NW/4 of Section 35, T23S, R37E, NMPM. Applicant further seeks to qualify this expansion area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 12 miles south of Eunice, New Mexico.