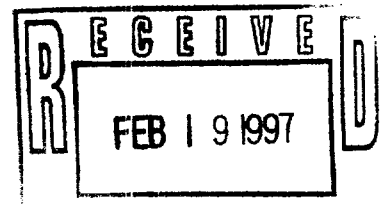


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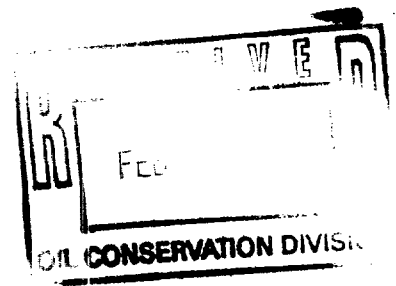
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February 19, 1997

Case 11713

**VIA FACSIMILE
AND HAND DELIVERY**

David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: *Application of Bass Enterprises Production Company and Santa Fe Energy Company for the rescission of Division Administrative Order No. NSL-3745, Eddy County, New Mexico*

Dear Mr. Catanach:

This is a request for a continuance of the hearing on this matter, currently scheduled for February 20, 1997, to March 20, 1997. The application of Bass Enterprises Production Company and Santa Fe Energy Company in this matter seeks rescission of the Division's approval of the administrative application of Mewbourne Oil Company for an unorthodox well location for its Scanlon Draw "35" State Well No. 1.

By letter dated February 14, 1997, we advised the Division that Mewbourne will be unable to have witnesses available for the scheduled February 20, 1997 hearing. By letter dated February 17, 1997, Rand Carroll, Esq., counsel for the Division, advised us that the Division will hold a hearing on the technical merits of the requested unorthodox well location.

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David R. Catanach
February 19, 1997
Page 2

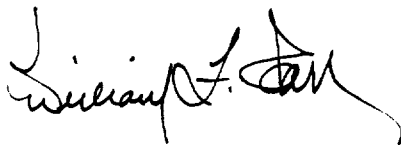
Mewbourne's general counsel has contacted counsel for Bass in an attempt to arrange a continuance and it is our understanding that Bass has declined to agree to a continuance.

We restate our argument that the application of Bass and Santa Fe in this matter must be dismissed because they failed to file a timely objection pursuant to Division Rule 104 F (2). Given the Division's stated position that Bass and Santa Fe's failure to timely file an objection does not necessitate dismissal of their application, and that a hearing on the technical merits of the requested unorthodox well locations will be held by the Division, it is essential that Mewbourne be allowed an opportunity to make witnesses available and present its own technical data at such a hearing. Accordingly, we request that the hearing on this matter be continued until March 20, 1997, at which time Mewbourne will be allowed to argue for dismissal of Bass's application, and to present witnesses and technical data in support of the requested unorthodox well locations.

If this matter is not continued, and the hearing goes forward as scheduled on February 20, 1997, then at the conclusion of Bass and Santa Fe's presentation we will request that this matter be continued until March 20 so that Mewbourne will have an opportunity to present witnesses and technical data in support of the requested unorthodox well locations.

Thank you for your prompt attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a stylized flourish at the end.

WILLIAM F. CARR

WFC/edr

cc: James Haas, Esq., via facsimile
Steve Cobb, via facsimile