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January 2, 1997

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

WMS

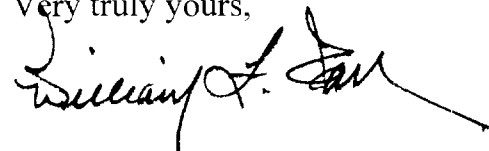
Re: *Application of Bass Enterprises Production Company and Santa Fe Energy Company for a Hearing on Mewbourne Oil Company's Scanlon Draw "35" State No. 1 Well Unorthodox Location, for an Order Rescinding Administrative Order NSL-3745, and a Stay of Division Administrative Order No. NSL-3745*

Dear Mr. LeMay:

Mewbourne Oil Company has received the above referenced application filed on behalf of Bass Enterprises Production Company and Santa Fe Energy Company. It is Mewbourne's position that a Division Order should not be set aside for an operator who received proper notice of the application for administrative approval of an unorthodox well location and failed to timely object.

However, in response to this application for stay, Mewbourne advises a stay is unnecessary for it will not proceed with the proposed well until after this matter has been reviewed by the Division on January 23, 1997.

Very truly yours,



WILLIAM F. CARR
Attorney for Mewbourne Oil Company
cc: James E. Haas (Via Facsimile)
Steve Cobb