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JASON KELLAHIN (RETIRED 1991)

August 19, 1997

VIA FACSIMILE

Mr. Michael E. Stogner
Rand Carroll, Esq.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: *NMOCD Case 11838*
Application of Premier Oil & Gas Inc
Exxon Company USA 's Avalon Delaware Unit
Eddy County, New Mexico

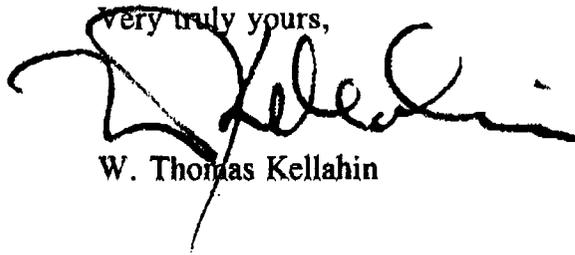
Gentlemen:

This morning I received a Motion to Dismiss filed on behalf of Yates Petroleum Corporation. In addition, last Friday afternoon, I received a Motion to Dismiss filed by Exxon.

In order to provide Premier with time to prepare and file a written Response to these motions, a continuance of this case is necessary. I have contacted attorneys for both Yates and Exxon and have obtained their concurrence to continue this case to the Examiner's docket now scheduled for September 4, 1997.

Accordingly, on behalf of Premier Oil & Gas Inc., we request this case be continued to September 4, 1997.

Very truly yours,



W. Thomas Kellahin

cfx: Premier Oil & Gas Inc.
Attn: Ken Jones
cfx: James Bruce, Esq.
Attorney for Exxon Company USA
William F. Carr, Esq.
Attorney for Yates Petroleum Corporation