

Jennifer A. Salisbury CABINET SECRETARY

October 27, 1997

Michael L. Pierce Me-Tex Oil & Gas, Inc. P.O. Box 636 Hobbs, NM 88241-0636

RE: Application of Me-Tex Oil & Gas, Inc. for Pool Contraction, Pool Creation and Special Pool Rules, Lea County, New Mexico

Dear Mr. Pierce

I have reviewed your cross-sections and structural maps of the subject area in Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. I agree with and support your application that the above described acreage is a separate pool from the Skaggs;Drinkard Oil Pool and concur with the creation of a new pool for Drinkard production. I would like to recommend that this pool be called the Skaggs;Drinkard, North Oil Pool.

Yours very truly,

OIL CONSERVATION DIVISION

Paul F. Kautz

District I, Geologist III

cc Chris Williams

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Case No. <u>11872</u> Exhibit No. <u>8</u>

Submitted by: Me-Tex Oil & Gas, Inc.

Hearing Date: November 6, 1997