

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

JUN 24 1998

June 23, 1998

David R. Catanach  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Case No. 11,877 (Application of Fasken Land and Minerals,  
Ltd. for compulsory pooling and an unorthodox gas well  
location, Eddy County, New Mexico)

Case No. 11,960 (Application of Redstone Oil & Gas  
Company for compulsory pooling and an unorthodox gas well  
location, Eddy County, New Mexico)

Dear Mr. Catanach:

I am pleased to inform you that Fasken and Redstone have reached voluntary agreement regarding drilling a well in Section 12, Township 23 South, Range 24 East, NMPM, the acreage which is the subject of the above two cases. For your information, Fasken and Redstone have executed a joint operating agreement, dated as of April 22, 1998, covering all of Section 12, and have agreed on the well location proposed by Redstone.

As a result, Redstone requests that (1) the compulsory pooling portion of Case No. 11,960 be dismissed, and (2) the unorthodox location portion of Case No. 11,960 be approved. Redstone also withdraws any pending motions it has filed in either case. By copy of this letter, I am requesting that Mr. Kellahin, on behalf of Fasken, dismiss of Case No. 11,877 and withdraw any outstanding motions filed by Fasken.

Please call if you have any questions.

Very truly yours,



James Bruce

Attorney for Redstone  
Oil & Gas Company

cc: W. Thomas Kellahin  
Joe E. Small