OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

July 7, 1998

Campbell, Carr, Berge & Sheridan, P. A.

Telefax No. (505) 983-6043

Attn: William F. Carr, Legal Counsel for Robert E. Landreth

P. O. Box 2208

Santa Fe, New Mexico 87504-2208

Kellahin and Kellahin

Telefax No. (505) 982-2047

Attn: W. Thomas Kellahin, Legal Counsel for Santa Fe Energy Resources, Inc.

P. O. Box 2265

Santa Fe, New Mexico 87504

Re:

Case No. 12,008: Application of Robert E. Landreth for a determination of reasonable well costs associated with the force pooling order issued in Division Order No. R-10764, Lea County, New Mexico.

Dear Messrs. Carr and Kellahin:

Reference is made to Mr. Kellahin's letter dated July 2, 1998 on behalf of Santa Fe Energy Resources, Inc. requesting a continuance of this matter until such time as a scheduled audit of well costs is completed. This request is reasonable; therefore, Case 12,008 will be continued to the September 3, 1998 Examiner's docket.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc:

New Mexico Oil Conservation Division - Artesia

Case File 12,008

Rand Carroll, Legal Counsel - OCD, Santa Fe

Florene Davidson - OCD, Santa Fe