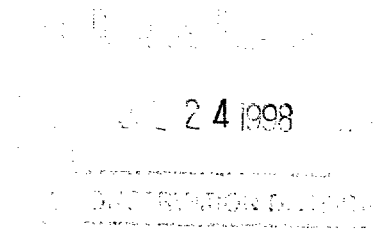


KEVIN O. BUTLER & ASSOCIATES, INC.

500 W. Texas, Suite 955, Midland, TX 79701 (915) 682-1178 / FAX (915) 687-5725

July 22, 1998

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
New Mexico Energy, Mineral & Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505



RE: Administrative application of Mallon Oil Company to drill its Mescalero Ridge "19" Well No. 1 at an unorthodox Morrow gas well location 1650' FWL (Lot 2/Unit L) of Section 19, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, in the S/2 equivalent of said Section 19 is to be dedicated in order to form a standard 319.92 acre gas spacing and proration unit.

Dear Mr. Stogner,

As per our telephone conversation of today and your letter dated 11/18/97, I will be unable to attend the meeting set for August 6, 1998. I will be out of the country from August 6 to August 16. If at all possible can we try to move the August 6, 1998 to early September, 1998.

Again, thank you for your help and assistance.

Sincerely,

KEVIN O. BUTLER & ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Kevin O. Butler", is written over a faint circular stamp.

Kevin O. Butler, President

KOB/gc

cc: James Bruce - Mallon Oil Company