

OCT - 6 1998

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October 6, 1998

**Via Fax and U.S. Mail**

Lori Wrotenbery  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico

Re: Case No. 11985 (*de novo*); Application of Saga Petroleum,  
L.L.C. for an unorthodox gas well location, Eddy County,  
New Mexico

Case No. \_\_\_\_\_; Application of Saga Petroleum, L.L.C. for  
compulsory pooling, Eddy County, New Mexico

Dear Ms. Wrotenbery:

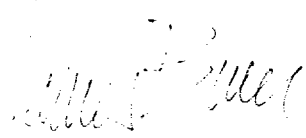
Saga Petroleum, L.L.C. ("Saga") has requested that the above pooling application be consolidated for hearing with Case No. 11985 (*de novo*), which is scheduled for the October 15, 1998 Commission hearing. OXY USA Inc. ("OXY") objects to consolidation, for the following reasons:

1. Both Saga and OXY (a party of record) have agreed to dismiss the *de novo* application. See letter from OXY to Saga attached hereto as Exhibit A. Therefore, there will be no Commission hearing with which the pooling application can be consolidated.
2. OXY is currently in discussions with Saga on a potential farmout of OXY's acreage in the well unit affected by the pooling application. If these discussions are not successful, the pooling case may well be contested, and OXY believes it best to proceed in the normal fashion, with the first hearing in front of a Hearing Examiner.
3. Tom Kellahin will be handling the hearing on behalf of OXY. Mr. Kellahin has been out of town the past two weeks, and will not return to his office until October 12th. Thus, he will have insufficient time to prepare

for the case. In addition, certain OXY personnel have scheduling conflicts on October 15th.

Based on the foregoing, OXY requests that Saga's motion to consolidate the above applications be denied, and that Saga's pooling application be set for the appropriate Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for OXY USA Inc.

cc: William F. Carr (via fax)  
W. Thomas Kellahin  
Richard E. Foppiano (via fax)