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January 15, 1999

**HAND DELIVERED**

Michael E. Stogner, Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 south Pacheco Street  
Santa Fe, New Mexico 87505

*CARR*  
*1/15/99*

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OIL CONSERVATION DIV.

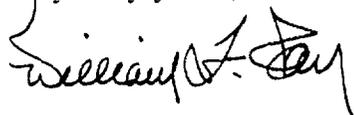
Re: *Application of Manzano Oil Corporation for Compulsory Pooling, Lea County, New Mexico*

Dear Mr. Stogner:

At the December 3, 1998 hearing on the above referenced application, you requested written evidence from Manzano which showed that their efforts acquire or reach a voluntary agreement for the development of the subject acreage had commenced in February of 1998.

Enclosed is a copy of a letter from Manzano, dated February 12, 1998, attempting to lease the interest of Olivia Gutierrez -- an interest which remains subject to the pooling action. See Manzano Exhibit No. 2, Page 5. If you need anything additional from Manzano to proceed with your consideration of this application, please advise.

Very truly yours,



WILLIAM F. CARR  
WFC:mlh  
Enc.  
cc: Debbi Jeffers