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March 13, 2002

HAND DELIVERED

Mr. David Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: **New Mexico Oil Conservation Division Case 12112: Application of Vanco Oil & Gas Corp. and its affiliate CBS Operating Corp. for amendment of Division Order No. R-11435 to authorize a pressure maintenance project in the North Square Lake Unit Area, establish procedures for approval of additional injection wells, and Qualification of the project area for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico.**

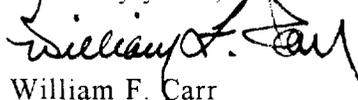
Dear Mr. Catanach:

Pursuant to your request at the March 7, 2002 examiner hearing on the above referenced application, enclosed for your review are three copies of each of the following documents:

1. A spread sheet which contains data on producing and injection wells for each of the other units in the area of the North Square Lake Unit Area;
2. Data for each lease or units which includes a well plat showing the location of all injection wells, a rate-time plot, a plot of water-cut versus cumulative oil production and a table showing data for each well.

We are preparing and will soon file a proposed order in this case. If you need additional information for your consideration of this matter, please advise.

Sincerely yours,


William F. Carr

cc: David Cotner
Russell K. Hall