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December 8, 2000

HAND DELIVERED

Stephen C. Ross, Esq. Assistant General Counsel Oil Conservation Commission New Mexico Department of Energy, Minerals and Natural Resources 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Case No. 12426 (de novo): Application of Southwest Royalties, Inc. for a non-standard gas spacing and proration unit and an unorthodox well location, Lea County, New Mexico.

Dear Steve:

Enclosed please find the additional materials in support of the above-referenced application which was requested by the Commission on November 9, 2000.

Southwest Royalties, Inc. has prepared six cross sections which show how they determined the Yates structure in the subject area. These cross sections provide an East-West look at the Yates formation within the Scarborough Yates-Seven Rivers Pool. The Yates markers used by Southwest are clearly indicated on each of the cross sections.

Also enclosed is an exhibit which shows the perforated intervals for every well in section 30.

I am enclosing five sets of these exhibits and request that a copy be provided to each member of the Commission.

If the Commission needs additional information from Southwest Royalties, Inc. to proceed with its consideration of this application, please advise.

Very truly yours,

William F. Carr

Enc.