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NATURAL RESOURCES AND GAS LAW

JUAN KELLAHIN (C) 1999

December 4, 2000

VIA FACSIMILE and HAND DELIVERY

Ms. Lori Wrotenberg, Director
Oil Conservation Division
2940 South Pacheco
Santa Fe, New Mexico 87505

Re: OBJECTION TO EXTENSION OF ORDER R-11430
NMOCD Case 12446
Application of Fuel Products, Inc.
for compulsory pooling,
Illinois Camp 18 State Well No. 1 (Unit P),
E/2 of Section 18, T18S, R28E
Eddy County, New Mexico

Dear Ms. Wrotenberg:

On behalf of Concho Resources, Inc., successor in interest to Phillips Petroleum Company, an adversely affected party of record in this compulsory pooling case we are expressing objection to the Division having granted V-F Petroleum, Inc. an extension of the drilling commencement date from November 1, 2000 to February 1, 2001 to commence drilling the well authorized by compulsory pooling order R-11430.

This extension was obtained in violation of Division Rule 1208.A and without notice to either Concho or Phillips. In issuing this extension, the Division violated Concho and Phillips' due process rights by failing to provide them with any opportunity to object before the extension was approved by the Division. Unless properly extended, this compulsory pooling order would have expired on November 1, 2000. A review of the Division records discloses that on October 26, 2000, V-F Petroleum, Inc. requested an extension which the Division granted on October 27, 2000. While V-F Petroleum's request indicates that a copy was sent to me I never received a copy.

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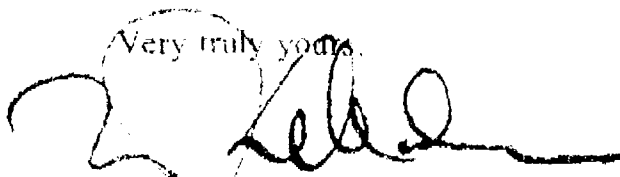
However, because Concho Resources Inc. wants this well drilled as soon as possible and prior to February 1, 2001, it will not proceed at this time with its claim that the order terminated for failure to have it properly extended. In addition, it will specifically condition its election to participate pursuant to the terms of this compulsory pooling order upon V-F Petroleum Inc. commencing the well prior to February 1, 2001.

Concho Resources Inc. is ready, willing and able to commence this well if V-F Petroleum is unable or unwilling to obtain a rig and commence this well by February 1, 2001. Accordingly, please be advised that Concho Resources, Inc. will seek to be designated the operator and will commence compulsory pooling if V-F Petroleum fails to commence drilling this well by February 1, 2001.

In addition, Concho Resources, Inc. requests that the Division deny any further request by V-F Petroleum Inc. for the extension of the drilling commencement date.

In accordance with Division Rule 1208.A, copies of this letter have been transmitted by facsimile to counsel of record.

Very truly yours,



W. Thomas Kellahin

cc: Mark Ashley, Hearing Examiner
David R. Catanach, Hearing Examiner
Michael E. Stogner, Hearing Examiner
Steve Ross, Esq.

Attorney for the Division

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Phillips Petroleum Company

Attn: Randy Lewicki

Concho Resources, Inc.

Attn: Mike Gray