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July 21, 2000

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VIA ELECTRONIC
AND U.S. MAIL

Mark W. Ashley, Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *New Mexico Oil Conservation Division Case No. ¹²⁴⁴⁶12431; Application of Fuel Products, Inc. for Compulsory Pooling, Eddy County, New Mexico.*

Dear Mr. Ashley:

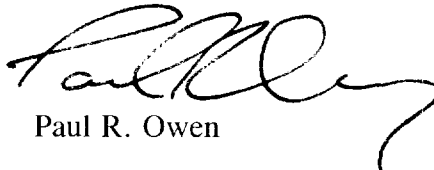
Attached please find Fuel Products, Inc.'s proposed Order in the above-referenced case.

The proposed Order sets forth Fuel Products' requested disposition of this case. In addition, I have attempted to accurately set forth both your ruling, and the dispute between the parties relative to Phillips' Motion to Dismiss.

You will recall that both Fuel Products and Nearburg Exploration Company, L.L.C., requested that the Division grant no additional continuances, beyond that requested in the July 7 hearing, and that an Order be expedited following the July 21, 2000 hearing. We look forward to a prompt disposition of this case following the July 21 hearing.

Please let me know if I can be of any assistance.

Very truly yours,


Paul R. Owen

Mark W. Ashley
New Mexico Oil Conservation Division
July 21, 2000
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Enclosures

cc: Mr. Tom Beall
Mr. Mark Nearburg
W. Thomas Kellahin, Esq.
J. Scott Hall, Esq.