



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

October 16, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Via Facsimile and First Class Mail

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Re: Case No. 12635, Order No. R-11663; In the matter of the Application of
McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County,
New Mexico

Case No. 12705; In the matter of the Application of D.J. Simmons Inc. for
compulsory pooling, Rio Arriba County, New Mexico

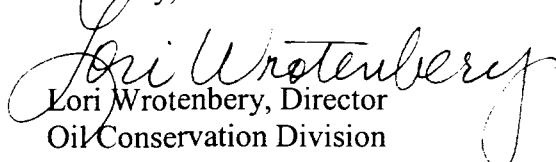
Counsel,

Case No. 12635 is before the New Mexico Oil Conservation Commission *de novo* on
request of D.J. Simmons. In addition, Case No. 12705 is before the Division on
application of D.J. Simmons. The cases involve competing applications in the same
section. Hearing the cases separately would be wasteful of the resources of the Division
and the parties, not to mention raising the possibility of inconsistent results and
procedural confusion.

Therefore, Case No. 12705 is hereby referred to the New Mexico Oil Conservation
Commission and consolidated for hearing pursuant to N.M.S.A. 1978, § 70-2-6(B). Case
No. 12605 will be heard along with Case No. 12705.

A Motion to Dismiss and a Motion to Stay have been filed. Orders disposing of those
motions will be issued in due course.

Sincerely,


Lori Wrotenbery, Director
Oil Conservation Division

Counsel of record
October 16, 2001
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Cc: Stephen C. Ross, Commission Counsel
David Brooks, Division Counsel
Richard Ezeanyim, Chief Engineer
Florene Davidson, Commission Secretary