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September 16, 2002

Via Facsimile

J. Scott Hall, Esq.
Miller, Starter & Torgerson, P.A.
P. O. Box 1986
Santa Fe, New Mexico 87504

Re: NMOCD Cases 12816, 12841, 12859 and 12860
Compulsory Pooling Cases by TMBR/Sharp, Ocean and Arrington

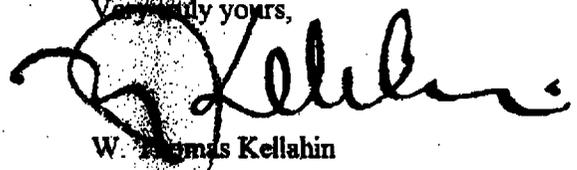
Dear Mr. Hall:

On behalf of TMBR/Sharp Drilling, Inc., I am replying to your letter of September 13, 2002. TMBR/Sharp Drilling, Inc. is producing the Blue Fin 25-1 Well in the NW/4 of Section 25, T16S, R35E, Lea County, New Mexico with the prior approval of the Division and in accordance with Division rules.

TMBR/Sharp Drilling, Inc. is proceeding to file the appropriate motion with the Lea County District Court for the appointment of a Special Master to administer the proceeds received from the sale of production from the well. You will soon receive verification of this from the Cotton, Bledsoe, Tighe & Dawson Law Firm thereby eliminating any need to involve the Division.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

- cc: Lori Wrotenbery, Director
- Michael E. Stogner,
- David E. Brooks, Esq.
- Chris Williams
- James Bruce, Esq.
- Richard Montgomery, Esq.
- William F. Carr, Esq.

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