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March 21, 1988

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REPLY TO SANTA FE OFFICE

RECEIVED

MAR 21 1988

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
State of New Mexico
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Mobil Producing & Exploration U.S.
for Saltwater Disposal Well, Section 27,
Township 18 S, Range 35 E

Dear Mr. LeMay:

Mobil Exploration & Producing U.S. Inc. currently has a case scheduled for hearing before the Division's hearing examiner at the regularly scheduled hearing of March 30, 1988. We have received information that Snyder Ranches will oppose the application for a saltwater disposal well at the above-referenced location.

The correspondence indicates that Snyder Ranches believes there are substantial legal questions involved in this matter which relate to both the Oil Conservation Division and the State Land Office.

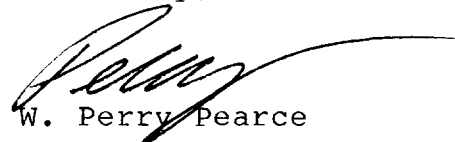
In view of these concerns and the importance of saltwater disposal wells to New Mexico oil and gas operations, we request that this matter be set for hearing before the full New Mexico Oil Conservation Commission at its April hearing. Although we

William J. LeMay, Director
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believe that this will continue the hearing of this matter for two or three weeks, we believe the parties are sufficiently concerned so that a de novo hearing would be requested whichever side prevailed at the examiner hearing level, and we believe that these important questions should ultimately be decided by the full Commission. I have discussed this request with Michael Comeau, representing Synder Ranches, and he will concur in this request.

Thank you for your attention to and consideration of this matter.

Sincerely,



W. Perry Pearce

WPP:mp:99

cc: J. W. Neal, Esquire
Michael R. Comeau, Esquire
Mr. Matthew E. Sweeney
Mr. T. L. Hill