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PLEASE REPLY TO SANTA FE

July 13, 1998

HAND DELIVERED

Ms. Florene Davidson
2040 South Pacheco
P.O. Box 6429
Santa Fe, New Mexico 87505

Re: EEX Corporation v. New Mexico Oil Conservation Commission;
Fifth Judicial District Court Cause No. CV 98-257(C)

Dear Ms. Davidson:

Enclosed for filing with the New Mexico Oil Conservation Commission in Consolidated Cases 11724, 11954 and 11987 are endorsed copies of the Notice of Appeal and Petition For Review filed with the Lea County District Court on July 9, 1998.

Very Truly Yours,

MILLER, STRATVERT & TORGERSON, P.A.


J. Scott Hall

JSH/eam

Enclosures

cc: Lyn Hebert, Esq. (w/enclos)
James Bruce, Esq. (w/enclos)
Wm. F. Carr, Esq. (w/enclos)
W. Thomas Kellahin, Esq. (w/enclos)

98 JUL 13 PM 4:17
OIL CONSERVATION DN.

FIFTH JUDICIAL DISTRICT
LEA COUNTY NEW MEXICO
FILED IN MY OFFICE

98 JUL -9 PM 2: 30

JANIE G. HERNANDEZ
DISTRICT COURT CLERK

FIFTH JUDICIAL DISTRICT COURT
COUNTY OF LEA
STATE OF NEW MEXICO

EEX CORPORATION

vs.

NEW MEXICO OIL CONSERVATION COMMISSION
IN RE:

NO. 198-257C

APPLICATION OF GILLESPIE-CROW, INC.
FOR UNIT EXPANSION, STATUTORY UNITIZATION,
AND QUALIFICATION OF THE EXPANDED UNIT
AREA FOR THE RECOVERED OIL TAX RATE AND
CERTIFICATION OF A POSITIVE PRODUCTION
RESPONSE PURSUANT TO THE "NEW MEXICO
ENHANCE OIL RECOVERY ACT," LEA COUNTY,
NEW MEXICO.

CASE NO. 11724
(DE NOVO)

98 JUL 13 PM 4: 17

OIL CONSERVATION DIV.

APPLICATION OF HANLEY PETROLEUM, INC.
AND YATES PETROLEUM CORPORATION FOR
UNIT EXPANSION, STATUTORY UNITIZATION,
AND QUALIFICATION OF THE EXPANDED UNIT
AREA FOR THE RECOVERED OIL TAX RATE AND
CERTIFICATION OF A POSITIVE PRODUCTION
RESPONSE PURSUANT TO THE NEW MEXICO
ENHANCED OIL RECOVERY ACT, LEA COUNTY,
NEW MEXICO.

CASE NO. 11954

APPLICATION OF EEX CORPORATION FOR
UNIT EXPANSION, STATUTORY UNITIZATION
AND QUALIFICATION FOR THE RECOVERED
OIL TAX RATE, LEA COUNTY, NEW MEXICO

CASE NO. 11987

NOTICE OF APPEAL

EEX Corporation ("EEX"), successor in interest to Enserch Exploration, Inc., ("Enserch"), by
counsel, pursuant to NMSA 1978, §70-2-25(B) (Repl. Pamp. 1995) of the New Mexico Oil & Gas

Act, hereby files this Notice of Appeal from the Order of the New Mexico Oil Conservation Commission, Energy, Minerals, and Natural Resources Department (the "Commission"), entered on May 22, 1998. Appeal is made to the District Court for the County of Lea, New Mexico. Appeal is taken against the Commission and Yates Petroleum Corp. and Hanley Petroleum, Inc. A copy of the Commission's Order entered on May 22, 1998 is attached hereto.

Respectfully submitted,

MILLER, STRATVERT & TORGERSON, P.A.

By J. Scott Hall
J. Scott Hall
Attorneys for Appellants
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Notice of Appeal was mailed on this 7th day of July 1998 to:

Lynn Hebert, Esq.
New Mexico Oil Conservation Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

James Bruce, Esq.
P.O. Box 1056
Santa Fe, New Mexico 87504-1056
Attorney for Gillespie-Crow, Inc.

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan

P.O. Box 2208
Santa Fe, New Mexico 87504
Attorneys for Yates Petroleum Corp. and Hanley Petroleum, Inc.

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
Attorneys for Chesapeake Operating, Inc. and Snyder Ranches, Inc.

By 7. Scott Hall
J. SCOTT HALL



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Via Facsimile

May 22, 1998

Mr. J. Scott Hall
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Mr. William F. Carr
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Mr. W. Thomas Kellahin
Post Office Box 2265
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Mr. James Bruce
Post Office Box 1056
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Re: Application of Gillespie-Crow, Inc., Case No. 11724 (*De Novo*)
Application of Hanley Petroleum, Inc. and Yates Petroleum Corp., Case No. 11954
Application of EEX Corporation, Case No. _____

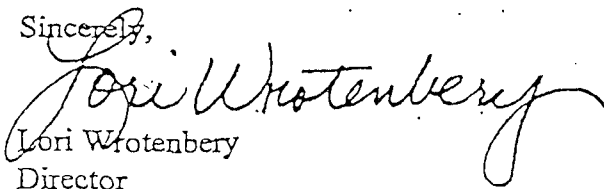
Gentlemen:

On May 15, 1998, EEX Corporation ("EEX") filed an application to expand the West Lovington Strawn Unit. EEX also filed a Motion for Consolidation to consolidate its expansion application with that of Case No. 11724 (*de novo*) and Case No. 11954, previously consolidated by letter decision dated March 26, 1998. The two consolidated cases are hereby consolidated with this newest case, and the consolidated case is currently set for hearing on June 18, 1998.

On May 13, 1998, I conducted a review of the seismic data that had been ordered to be produced by EEX by letter decision dated April 6, 1998. The review did not change my opinion that the data are relevant to the pending applications. Also, because the data were shared with the original unit interest owners, the data should be available to the proposed unit interest owners.

Both Gillespie-Crow, Inc. and EEX may want to propose a protective order to limit access and protect against public disclosure of the data.

Sincerely,


Lori Wrotenberg
Director