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June 21, 2004

VIA FACSIMILE

Mr. Mark Fesmire, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
Facsimile No. (505) 476-3462

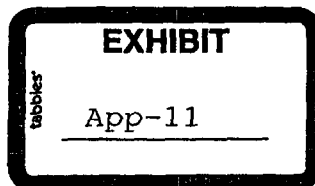
Re: *Application of Gandy Corporation for Approval of a Salt Water Disposal Well,  
Lea County, New Mexico  
NMOCD Case No. 13293*

Dear Mr. Fesmire:

This is a request for a four-week extension for the Hearing in the above-referenced case, to July 22, 2004. This matter is currently scheduled for hearing this Thursday, June 24, 2004. The requested extension is necessary so that DKD, LLC, can exchange documents with the applicant, prepare for the hearing, and because of a personal scheduling conflict on behalf of DKD's principal.

If a four-week extension is not possible, DKD can and will prepare for a hearing on July 8. However, counsel for DKD has scheduling conflicts that week; therefore, a four-week extension is requested.

Counsel for the Applicant does not agree to any requested extension. Counsel for the Applicant has agreed to exchange documents with counsel for DKD, without any compulsory or formal discovery, on Wednesday, June 22; however, DKD will be unable to prepare for the hearing in a meaningful way. It does not appear that the Applicant will be prejudiced by the requested extension because the salt water disposal well at issue is currently in use pursuant to NMOCD Order No. R-11855-B.



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Please let me know as soon as possible whether the requested extension will be granted.

Very truly yours,

  
for Paul R. Owen

PRO/jr

cc: Peter V. Domenici, Jr., Esq. (via facsimile)  
Mr. Danny Watson (via facsimile)