



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 21, 2007

Nordstrand Engineering
Attn: Mr. Carl H. Nordstrand
3229 D'Amico St., Suite 200
Houston, TX 77019-1555

Re: Case No. 13935; Application of Apollo Energy, L.P. for Approval of a Waterflood Project, Eddy County, New Mexico

Dear Mr. Nordstrand:

OCD received your letter of November 13, 2007 seems to be a protest of the referenced application.

I am confused, however, because you state that you received the application to inject on November 10, 2007. The record in this case reflects that Nordstrand received notice on June 5, 2007. This case was heard on June 21, 2007.

Since your protest was not timely received, if you want to be heard on the matter, you will need to file a motion for rehearing. Any such motion must be filed with OCD in Santa Fe not later than December 11 (30 days prior to the next hearing at which the matter can be set. Otherwise, OCD will issue an order based on the evidenced received at the June 21 hearing.

If you wile a motion for rehearing, please send a copy thereof to James Bruce, P.O. Box 1056, Santa Fe, NM 87504, attorney for Apollo.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

cc: James Bruce
P.O. Box 1056
Santa Fe, NM 87504

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NORDSTRAND ENGINEERING, INC.

November 13, 2007

New Mexico Oil Conservation Commission
1220 South St. Francis Drive
Santa Fe, NM 87505

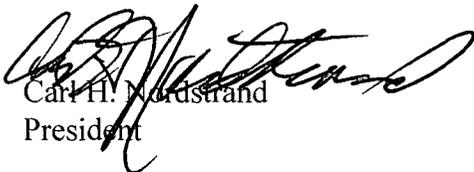
Re: Apollo's Application for Authority to inject into the Yates Sand, Section 13-20S-28E, Eddy
County, NM

Gentlemen:

On November 10, 2007, the application we received to inject water into the Yates Sand submitted by Apollo Energy and feel that their injection program could be detrimental to production from our Oxy Yates wells located in Section 13. Unless Apollo can produce data showing no harm to our production, we are going to object to their proposal.

If you need any additional information, please advise.

Yours very truly,



Carl H. Nordstrand
President

3229 D'Amico Street, Suite 200
Houston, TX 77019-1908
Ph: 713-520-1555
Fax: 713-520-1538

Save:Oxy YatesNewMexicoOilConservationApollo.wpd