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July 19, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Rhonda L. May, Trustee of the
Leonard T. May & Virginia L. May Living Trust
1118 Wurzbach Rd., Suite 101
San Antonio, TX 78230-2571

Re: Application of Damar Energy Company for Compulsory Pooling, Eddy
County, New Mexico

Dear Ms. May:

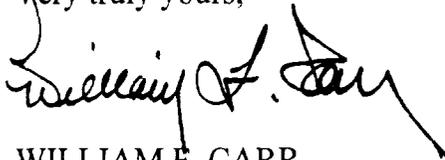
This letter is to advise you that Damar Energy Company has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of certain mineral interests in all formations from the surface to the base of the Delaware formation, in and under the SE/4 SE/4 of Section 22, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Damar Energy Company proposes to dedicate the referenced pooled unit to its MB #22-1 Well to be drilled at an orthodox location 800 feet from the South line and 660 feet from the Est line of Section 22, to test all formations to the base of the Delaware formation, East Loving-Brushy Canyon Pool (formerly the East Loving-Delaware Pool).

This application has been set for hearing before a Division Examiner on August 10, 1995. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Rhonda L. May, Trustee of the Leonard T. May
and Virginia Louise May Living Trust
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Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large initial "W" and a long, sweeping tail.

WILLIAM F. CARR
ATTORNEY FOR DAMAR ENERGY COMPANY
WFC:mlh

Enc.

cc: Mr. Mark D. Smith

