Robert W. Hanagan
P. O. Box 430
Roswell, NM 88202-0430

March 6, 1996

Energy Minerals and Natural Resources Dept. Oil Conservation Division State Land Office Bldg. 2040 S. Pacheco Santa Fe, NM 87501

BY FAX TO YOUR FAX #827-8177

Rc: Case 11464 - March 7 Examiner Hearing

Dear Examiner:

As royalty owners under, among other adjacent lands, the NEINEI of Section 7, T22S, R26E, Eddy County, New Mexico please be advised of the following and make this letter a part of the referenced hearing record:

- 1) this case has been brought to our attention only today and there has been no official notice received from the applicant
- 2) we respectfully request your consideration to making the 80 acre spacing (if in fact you even decide to establish 80 acre spacing) be the N½NE¼ (spacing pattern of 80 acre tracts be laid down east-west rather than standing north-south) instead of the W½NE¼ as requested in the captioned. Our request is based on the topography which makes the ability to drill a well/s on the E½NE¼ highly questionable due to the steep hill (see attached topographic plat).

Very truly yours,

Hugh E. Hanagar

Robert W. Hanagan

Debra A. Hill, Trustee

