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Facsimile Transmittal

Date: April 1, 1996

To: Mike Stogner

Office Phone:

Fax Phone: 827-8177

From: Roger Prucino

Re:

Client:

Phone Code:

We are beginning to send 3 pages (including cover memo). If transmission is interrupted or of poor quality, please notify us immediately by calling (505) 982-9911 and ask for the telecopier operator.

..... **Comments**

Letter dated 4/1/96

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OF COUNSEL:
MELVIN T. YOST

April 1, 1996

Mike Stogner
Oil Conservation Division

VIA FACSIMILE (827-8177)

Re: OCD Case No. 11507; April 4, 1996 Hearing

Dear Mr. Stogner:

This office represents Kachina Production Company and TA Resources, Inc. TA Resources is in the process of acquiring from Fred B. Shelton, III his leasehold rights and other interests in the four wells that are the subject of this proceeding. Kachina Production will act as the operator of the wells. The purpose of this letter is to request a sixty day continuance of the hearing presently scheduled for April 4, 1996.

Although our clients are taking all appropriate steps to allow them to operate the wells, dealing with the Jicarilla Apaches and with BIA is a time-consuming process. Significant progress has been made, but certain issues that have been raised in our dealings with BIA (such as the need for a right-of-way from BIA) must still be addressed. We have retained the services of Daggett, Inc. in Farmington to assist with those efforts.

While a thirty-day extension would be sufficient under most circumstances, the complications of dealing with BIA and the Jicarilla Apaches prompt the request for a longer delay. While our clients cannot guarantee that every problem experienced to date will be resolved by that time, they will be in a much better position to present a well-informed response to the Examiner.

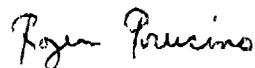
With the exception of dealings with BIA, TA Resources and Kachina Production are, and have been, ready, willing and able to commence operations on the existing wells. An extension of sixty days would be a significant benefit to our clients, and, because of the existing cash bond covering the wells, would not prejudice the interests of OCD, any third party, or the public welfare.

Scheuer, Yost & Patterson
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Mike Stogner
April 1, 1996
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Feel free to contact me with any questions regarding this request. All further communications relating to this proceeding (directed to Fred Shelton, III) should be directed to my attention. This office does not represent the interests Petroleum Development Corporation or Norwest Bank in this proceeding.

Very truly yours,



Roger L. Prucino

cc: Bruce Glaspell