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A PROFESSIONAL CORPORATION

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September 5, 1996

William J. LeMay, Director
Oil Conservation Division
New Mexico Dept. of Energy,
Minerals and Natural Resources
2040 S. Pacheco St.
Santa Fe, New Mexico 87505

RECEIVED

SEP 11 1996

OIL CONSERVATION DIVISION

VIA HAND DELIVERY

Re: New Mexico Oil Conservation Division Case No. 11509

Dear Mr. LeMay:

This office appeared on behalf of Kachina Production Company at the May 2, 1996 hearing in the above-captioned proceeding. I have received William Carr's August 26, 1996 letter to you discussing this matter and the upcoming September 18, 1996 Commission hearing. I have notified Kachina Production Company of that hearing date.

My client has asked that I inform you that a new operator will become involved in the El Poso Ranch property and will contact your office in the near future. At that time, Fred Shelton will have no further active involvement in drilling operations in that area. Kachina Production Company requests that the OCD neither remove nor damage any equipment on the leased property during the well plugging or other operations, if such steps become necessary.

Very truly yours,



Roger L. Prucino

RLP:lj

cc: Kachina Production Company
William F. Carr, Esq.