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*NOT LICENSED IN NEW MEXICO

January 22, 1997

HAND DELIVERED

Mr. David Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504

RE: Parker & Parsley OCD Case Nos.
11703 and 11704 -- statutory
unitization and water
injection project for
secondary recovery

Dear David:

This will confirm our phone conversation today in which I advised you that Parker & Parsley Development, L.P. is in negotiations with Shackelford Oil Co. for the possible purchase of Shackelford's interest in the proposed unit area. It is my understanding that if the negotiations are successful, the transaction will close on or before February 4, 1997. Accordingly, pending the further negotiations and possible closing of the purchase of the Shackelford interest, Parker & Parsley hereby requests a continuance of the referenced cases, now set on the docket for tomorrow, January 23, 1997. Parker & Parsley have advised me that whether or not the negotiations for the purchase are successful, they will want the cases heard on the next regular hearing date. Accordingly, we respectfully request that the cases be continued to the next regular hearing date, which we understand is February 6, 1997.

Please advise if anything additional is needed to effect this requested continuance.

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Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



Conrad E. Coffield

Copies: William Carr, Esq. and Tanya Trujillo, Esq.
Steve Owen, Parker & Parsley

**HINKLE, COX, EATON, COFFIELD & HENSLEY,
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January 22, 1997

Florene Davidson
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87501

**Re: In the Matter of the Amended Application of Parker &
Parsley Development, L.P. for Authority to Institute a
Water Injection Project for Secondary Recovery of
Hydrocarbons and for Qualification for the Recovered Oil
Tax Rate, Lea County, New Mexico, Case No. 11,704**

Dear Ms. Davidson:

As I informed you in my letter of January 14, 1997, the fully executed Verification for the above-referenced Amended Application would be sent to you as soon as it was received from my out-of-town client. The Verification is enclosed for you to attach to the Amended Application filed January 14, 1997.

If you should have any questions, please do not hesitate to call me. Thank you for your assistance in this matter.

Very truly yours,

**HINKLE, COX, EATON, COFFIELD,
& HENSLEY, L.L.P.**

Conrad E. Coffield

CEC/bc

Enclosures