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October 12, 2001
VIA HAND DELIVERY

OIL CONSERVATION
DIVISION

OCT 12 2001

RECEIVED

Michael Stogner, Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of V-F Petroleum, Inc., for exceptions to special pool rules permitting an unorthodox well location and a second well on 640-acre proration unit, Eddy County, New Mexico.*

Dear Mr. Stogner:

On Tuesday, October 9, I filed the above-referenced case with the Division, requesting that the case be set for hearing on the November 1, 2001 Examiner Docket. You and I discussed this case several times in the last two months.

You will recall that we discussed filing this case as an administrative application. I had planned to bring in the administrative application and review it with you before filing it to ensure that it was complete and that it contained enough information so that you could consider the merits of the case without requiring a hearing. You indicated, but did not commit to me, that the case would probably be appropriate for filing as an administrative application. Upon filing, you indicated that, depending on the merits of the information submitted with the application, the case would probably be appropriately set for hearing, but advertised with the provision that "in the absence of objection, this matter will be taken under advisement." The reason the case may be appropriate for docketing with the "in the absence of objection" language is that the requested relief is in accordance with statewide rules.

Unfortunately, I was not able to obtain the technical information to discuss it with you before you were out of the office earlier this week. Therefore, I filed the case as a formal application to ensure that it would be set for the November 1, 2001 docket.

In support of the application, enclosed please find the technical information developed by my client. Please review this information and let me know whether it is sufficient for the Division to consider the merits of the application without requiring a formal presentation at the November 1

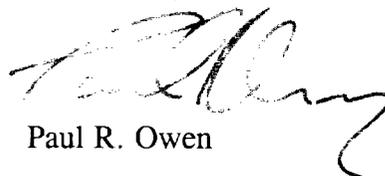
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Examiner hearing. Alternatively, I can submit this information as an administrative application to be considered simultaneously with the formal application for hearing. Of course, if any additional information is needed, I will get that to you as soon as possible.

I will be out of the office next week (the week of October 10), but will be checking messages and conducting business from outside the office. I will return your call if you would like to discuss this matter, and will come it to your office to discuss it with you at your convenience.

I look forward to discussing this matter with you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul R. Owen", written in a cursive style.

Paul R. Owen

Enclosures

cc: Mr. Larry Brazile
V-F Petroleum, Inc.