



September 26, 2005

David K. Brooks, Legal Bureau
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

RECEIVED
SEP 27 2005
OIL CONSERVATION
DIVISION

Re: Application of Gandy Marley Inc.
Case No. 13480 ("De Novo")

Dear Mr. Brooks:

I note that the above referenced matter is scheduled to be heard by the Commission at the October 13th meeting date.

It is my understanding that Gandy Marley Inc. ("GMI") has no viable application pending before the Commission, and that the Commission has decided subsequent to the September 15th hearing not to stay the affect of Division Orders R-12306-B and R-12306-C. Accordingly, it does not appear there is any matter for the Commission to address (a) at its regularly scheduled October 13th hearing, or (b) under Case No. 13480.

Please inform whether the parties need to be prepared to address any matter at the October 13th hearing, and whether the Commission intends to dismiss Case No. 13480 (De Novo) with leave for GMI to file for a Commission hearing under Section 70-2-6(B) once a proper application has been filed. *See* Order R-12306-B at p. 20.

Sincerely,

Michael H. Feldewert

cc: Peter V. Domenici, Jr.
Gail MacQuesten
Donald A. Neeper
Ken Marsh