

October 18, 2005

Dan Dible,  
City Manager  
City Hall  
300 N. Turner  
Hobbs, NM 88240

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

RE: COURTESY NOTICE OF HEARING ON C-108 APPLICATION (INJECTION  
AUTHORIZATION) - LINAM RANCH PLANT LEA COUNTY, NEW MEXICO

Dear Mr. Dible:

Duke Energy Field Services, LP, (DEFS) is providing the City of Hobbs with the enclosed courtesy copy of our C-108 application. The application was filed in September, 2005 with the New Mexico Oil Conservation Division (NMOCD). At the suggestion of the NMOCD, DEFS is providing the City of Hobbs and certain landowners a copy of the application. This matter is set for a hearing before the Oil Conservation Commission (OCC) on November 10, 2005 in Santa Fe. However, based on the OCC docket, it is most likely that the hearing will be postponed.

The enclosed application seeks administrative authorization to inject up to 2300 barrels per day of acid gas at a maximum pressure of 2800 psi into the Lower Bone Spring Formation between approximately 8700 and 9100 feet through DEFS's proposed Linam AGI Well #1, to be drilled approximately 1980 feet from the south line and 1980 feet from the west line of Section 30 Township 18S Range 37E, NMPM, Lea County, New Mexico. In addition, DEFS will test the Brushy Canyon Member of the Delaware Group at approximately 5000' for consideration as a potential secondary injection target. The proposed well will be located approximately 4½ miles west of Hobbs, New Mexico.

Sincerely,  
Geolex, Inc



Alberto A. Gutiérrez, C.P.G.  
President  
Consultant to Duke Energy Field Service, LP

AAG/lh  
Enclosures

cc (w/o enclosures): Joshua B. Epel, Assistant General Counsel - DEFS  
William Carr, Esq., Holland and Hart

D:\Projects\05-005\C108 Application\Hobbs notice letter.doc

phone: 505-842-8000  
fax: 505-842-7380

500 Marquette Avenue NW, Suite 1350  
Albuquerque, New Mexico 87102

BEFORE THE OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

Case No. 13589 Exhibit No. 7

Submitted by:

DUKE ENERGY FIELD SERVICES, LP  
Hearing Date: February 9, 2006

11/03/2005 THI

7002 1000 0005 2952 9871

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

HOBBS, NM 88240

Postage	\$ 3.95	UNIT ID: 0129  Clerk: KZHJ08 10/18/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
<b>Total Postage &amp; Fees</b>	<b>\$ 8.00</b>	

Sent To: Don Dible, City Mgr.  
 Street, Apt. No.: City Hall, 300 N. Turner  
 or PO Box No.: Hobbs, NM 88240  
 City, State, ZIP+4:

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature  <u>Sandra Boltshauser</u> Agent <input type="checkbox"/> Address <input type="checkbox"/></p> <p>B. Received by (Printed Name)  <u>Sandra Boltshauser</u></p> <p>C. Date of Delivery  <u>10/20/05</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No          If YES, enter delivery address below:</p>	
<p>1. Article Addressed to:</p> <p><u>Don Dible</u>  <u>City Mgr.</u>  <u>City Hall</u>  <u>300 N. Turner</u>  <u>Hobbs NM 88240</u></p>		<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
<p>2. Article Number          (Transfer from service label)</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

7002 1000 0005 2952 9871

October 19, 2005

Mr. Ron Dutton  
Xcel Energy  
Suite 2510  
PO Box 1261  
Amarillo TX 79105

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

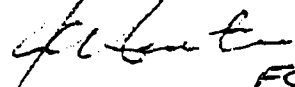
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Sincerely,  
Geolex, Inc.

  
FOR AAG

Alberto A. Gutiérrez, C.P.G.  
President  
Consultant to Duke Energy Field Service, LP

AAG/lh  
Enclosures

cc (w/o enclosures): Joshua B. Epel, Assistant General Counsel – DEFS  
William Carr, Esq., Holland and Hart

D:\Projects\05-005\C108 Application\Excel notice letter.doc

phone: 505-842-8000  
fax: 505-842-7380

300 Marquette Avenue NW, Suite 1350  
Albuquerque, New Mexico 87102

email: aag@geolex.com  
web: www.geolex.com

11/03/2005 THU 14:43 [TX/RX NO 9139] 004

7002 1000 0005 2952 9949

U.S. Postal Service		
CERTIFIED MAIL RECEIPT		
(Domestic Mail Only. No Insurance Coverage Provided.)		
AMARILLO, TX 79105		
Postage	\$ 3.95	UNIT ID: 0129
Certified Fee	2.30	Postmark
Return Receipt Fee (Endorsement Required)	1.75	Clerk: KZHJ08
Restricted Delivery Fee (Endorsement Required)		10/19/05
Total Postage & Fees	\$ 8.00	
Sent To: Ron Dutton, Xcel Energy, Ste 2510		
Street, Apt. No., or PO Box No. PO Box 1261		
City, State, ZIP+4 Amarillo TX 79105		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Address</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>
1. Article Addressed to: Ron Dutton - Ste. 2510 Xcel Energy PO Box 1261 Amarillo TX 79105	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
2. Article Number (Transfer from service label)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes