JUN-13-2007 13:06 From: DOMENICI LAW FIRM

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June 13, 2007

VIA FACSIMILE FILING 505-476-3462

Total Fax: 4 pages

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Case 13962

RE: Matter of the Gandy Corporation's Administrative Application for Authorization to Inject Saltwater Disposal fluids into the Julia Culp No. 2 Well: Case No.: (no case number assigned).

Dear Ms. Davidson:

Please find attached Gandy Corporations's Request for Hearing for fax-filing

Thank you for your attention to this matter.

Sincerely,

DOMENICI LAW FIRM, P.C.

Charles N. Lakins, Esq.

cc:

client

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONVERSATION DIVISION

IN THE MATTER OF GANDY CORPORATION'S APPLICATION FOR AUTHORIZATION TO INJECT INTO THE JULIA CULP No. 2 WELL, LEA COUNTY, NEW MEXICO

CASE NO. 13962

GANDY CORPORATION'S REQUEST FOR HEARING

COMES NOW Gandy Corporation, by and through undersigned counsel of record, and hereby requests that the Oil Conservation Division hold a hearing on Gandy Corporation's Administrative Application for Authorization to Inject Saltwater Disposal fluids into the Julia Culp No. 2 Well, API 3-025-30879, located at 2,310 FNL, 660 FEL, Section 34, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this Request, Gandy Corporation states as follows:

- 1. Gandy Corporation ("Gandy") submitted its C-108 Application for Authorization to Inject form with the New Mexico Oil Conservation Division on February 1, 2007.
- 2. Notice of the Application was properly published, and identified "Affected Persons" were properly served notice.
- 3. On February 22, 2007, Gandy was notified by NM OCD (via e-mail from William V. Jones) that the OCD had "the Gandy SWD permit ready to release BUT today we received a protest letter from P. Kay Stokes 870-256-4892 and from D.B. Wharton 501-941-0522, both from Arkansas. I see from your included notice receipts that the latest notices to these parties were mailed 2/14/07 so they did object within the 15 day suspence period. Please let me know as

soon as possible if you can successfully negotiate with these two parties. One option you have is having your attorney set this application for hearing. If you are successful in persuading these two to formally drop the objections, we can proceed administratively, otherwise, the hearing schedule would proceed."

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- 4. Section 19.15.9.701(D) states: "If a written objection to any application for administrative approval of an injection well is filed within 15 days after receipt of a complete application, or if a hearing is required pursuant to 19.15.9.701 NMAC or deemed advisable by the division director, the division shall set the application for hearing and give notice of the hearing." (emphasis added).
- 5. No hearing has yet been set on this Application.
- 6. A proposed Legal Notice is attached.

WHEREFORE, Gandy Corporation requests that the New Mexico Oil Conservation Division set a hearing on this Application, and following hearing issue its Order approving Gandy Corporation's Application.

Respectfully Submitted, DOMENICI LAW FIRM, P.C.

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PROPOSED LEGAL NOTICE FOR PUBLICATION