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March 19, 1996

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

**HAND DELIVERED**

DHC
11480

***Re:*** ***NMOCD Case 11480***
***Hancock Well No. 3***
***Application of Meridian Oil Inc.***
***for Downhole Commingling,***
***San Juan County, New Mexico***

Dear Mr. Catanach:

On behalf of Meridian Oil Inc., I filed the referenced DHC application and requested it be set for hearing in order to obtain an exception from the 50% pressure differential rule because the Pictured Cliffs pressure was 188 psi and the Mesaverde pressure was 550 psi.

Since then, as you know, the Commission has amended this rule which would now allow this case to be processed administratively because the Mesaverde pressure of 550 psi is less than the original virgin pressure for the Pictured Cliffs which was in excess of 750 psi in this area (See Exhibit 5 enclosed).

The case is set to be heard by you on Thursday of this week. I would like your permission to avoid bringing a petroleum engineering witness and have you dismiss the case from the Examiner's docket and then process this request administratively. I have enclosed the Exhibit Book and the Certificate of Notice which I would have introduced at Thursday's hearing. Please let me know if that is acceptable.

Very truly yours,

W. Thomas Kellahin

cc: Meridian Oil Inc.
Attn: Alan Alexander