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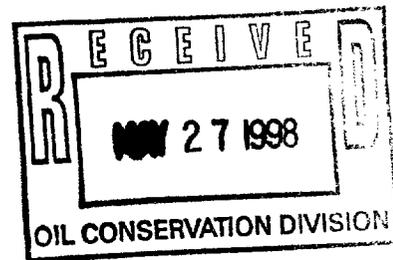
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May 27, 1998

HAND DELIVERED

Mr. David R. Catanach, Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505



Re: *Case 11504: In the matter of Case 11504 being reopened pursuant to the provisions of Division Order No. R-10597 which order promulgated special pool rules and regulations for the Vest Ranch-Upper Pennsylvanian Pool, Chaves County, New Mexico*

Dear Mr. Catanach:

This letter confirms our conversation in which I advised that Manzano Oil Corporation, the original applicant in this matter, will not present evidence in the above-referenced case at the May 28, 1998 Examiner hearing. Manzano does not object to the rescission of the Temporary Special Pool Rules for the Vest Ranch-Upper Pennsylvanian Pool.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

WILLIAM F. CARR

cc: Mr. Kenneth Barbe