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March 4, 1998

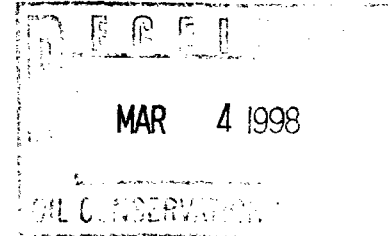
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Ms. Florene Davidson
Hearing Administrator
Oil Conservation Division
2040 Pacheco Street
Santa Fe, NM 87505



Re: Application of Mobil Exploration & Producing TX & NM Inc. for Three Horizontal Injection Wells, an Administrative Procedure for Approval of Future Horizontal Injection Wells, and Qualification of these Wells for the Recovered Oil Tax Rate, Lea County, New Mexico

Dear Ms. Davidson:

On behalf of Mobil Exploration & Producing TX & NM, Inc., I am enclosing a Modification of Application in this case. Your attention in this matter is appreciated.

Sincerely,

Edmund H. Kendrick

EHK:vgs
Enclosures
9781-97-01
cc: (w/encl.)

Michael Stogner, OCD Hearing Examiner
Rand L. Carroll, Esq., OCD General Counsel
Mobil Exploration & Producing TX & NM Inc.
Attn: Ms. Shirley Houchins
OCD Hobbs District Office
Attn: Chris Williams
New Mexico State Land Office
Attn: Jeff Albers
Texaco Exploration & Producing Inc.
Attn: Mark Wakefield