

Sonat Exploration Company
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SONAT EXPLORATION

October 12, 1998

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico - Department of Energy,
Mineral and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: *Oil Conservation Division Case No. 11948*
Application of Sonat Exploration Company for an Exception to Division Rule
309A for Blanket Lease Commingling of Production and to Division Rule 309B
for and Exception to the Requirement of Separate Metering of Commingled
Production - March 19, 1998 Hearing
Poker Lake Area
Eddy and Lea Counties, New Mexico

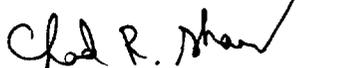
Dear Mr. Stogner:

Please check on the status of Sonat Exploration Company's Order from the New Mexico Oil Conservation Division regarding the above referenced matter. Our Application was uncontested. A couple of months back this matter was verbally approved by your office; however, we have not been issued a formal Order.

Sonat has decided to sell our production in this area and we would like to received the formal Order prior to transferring the property to the new owner.

Your earliest consideration would be appreciated. Should you require additional information or have any questions, please feel free to contact me at 915-684-0417 or our Senior Petroleum Engineer, Todd Moehlenbrock at 915-684-0415.

Very truly yours,
SONAT EXPLORATION COMPANY



Chad R. Shaw, CPL
Land Manager

cc: *Todd Moehlenbrock*