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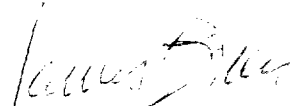
David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12012; Application of Ocean Energy, Inc. for
Special Pool Rules, Lea County, New Mexico

Dear Mr. Catanach:

Enclosed are materials prepared by Chad Johnson, applicant's engineer, regarding the method of calculating reserves for the Rainier State Well No. 1. Please call me if you need any further information.

Very truly yours,



James Bruce

Attorney for Ocean Energy, Inc.