

# GALLEGOS LAW FIRM

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MICHAEL J. CONDON

November 3, 1998  
(Our File No. 98-272.00)

**VIA TELECOPY**

Thomas W. Kellahin, Esq.  
Kellahin & Kellahin  
117 N. Guadalupe  
Santa Fe, New Mexico 87501

Re: Application of Xeric Oil and Gas Corporation for Compulsory Pooling, Lea  
County, New Mexico; Case No. 12074

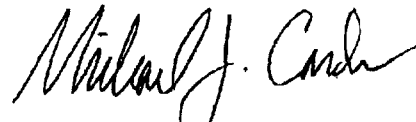
Dear Tom:

I just wanted to confirm our phone conversation this afternoon. I understand our agreement to be that you will continue the Examiner Hearing in the above-referenced matter to the next docket, November 19, 1998, in order to give Xeric and Coates an opportunity to see if they can agree on the terms of a lease. Based on our agreement, I will inform our representatives that they do not need to travel to New Mexico to attend the hearing on Thursday, November 5, 1998. I understand that you will give notice to the OCD that you will continue this matter. Please advise immediately if I have misapprehended the nature of our agreement. Thank you for your cooperation.

Very truly yours,

GALLEGOS LAW FIRM, P.C.

By

  
MICHAEL J. CONDON

MJC:sa

fx: Sherrie Green  
Rand Carroll, Esq.  
David Catanach, Hearing Examiner