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SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043 www.hollandhart.com

August 22, 2001

HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: GP II Energy, Inc.

Request for extension of Oil Conservation Division Order No. R-11435.

Dear Mr. Stogner;

Enclosed is a copy of my letter of July 23, 2001 requesting an extension of Division Order No. R-11435 and the draft of a letter approving this request. This draft is based on the letters recently signed by Ms. Wrotenbery granting extensions of compulsory pooling orders but contains additional provisions based on my recent conversations with representatives of the Division concerning this request.

If you need additional information from GP II to proceed with your consideration of this request, please advise.

William E. Čarr

Enc.