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July 26, 2000

HAND DELIVERED

Mr. Mark Ashley, Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: <u>Case No. 12112 (Reopened)</u>: Application of GP II Energy, Inc. for approval of a Waterflood Project and Qualification of the Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico.

Dear Mr. Ashley:

Enclosed please find our correspondence dated July 18, 2000 with attachments for your reference.

If you need any thing else from GP II to proceed with your consideration, please advise.

Very truly yours,

William F. Carr

WFC/md Enclosures

cc: M. A. Sirgo