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May 14, 1999

HAND-DELIVERED

Mr. David Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87503

OIL CONSERVATION DIV.
99 MAY 14 PM 2:34

Re: ***Oil Conservation Division Case No. 12112:
Application of GP II Energy, Inc. for Approval of a Waterflood Project,
Eddy County, New Mexico***

***Oil Conservation Division Case No. 12113:
Application of GP II Energy, Inc. for Statutory Unitization, Eddy County,
New Mexico***

Dear Mr. Catanach:

The above-referenced cases were heard by the Division on February 4, 1999. Since that time, I understand that you and Bill Carr have discussed these cases and you have indicated that the Division has some concerns and is considering reopening the cases to take additional evidence to address those concerns.

We hereby request that the above-referenced cases be opened as soon as possible, and be set for the May 27, 1999 hearing date. At that hearing, we will address any questions which you and Mr. Carr have discussed, and will attempt to address any other concern which the Division may have about the project.

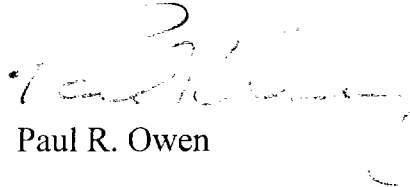
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GP II, through Mr. Manny Sirgo, has been working on this project since Mr. Sirgo's meeting with Division personnel in September, 1997. GP II is extremely concerned about any additional delay in obtaining Division approval, and continues to accrue exorbitant daily interest charges until it can realize revenue through the project. We look forward to addressing the Division's concerns at the earliest possible date.

If you have any questions, please call.

Very truly yours,



Paul R. Owen

PRO:mlh
cc: Manny Sirgo