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August 3, 1999

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VIA FACSIMILE

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

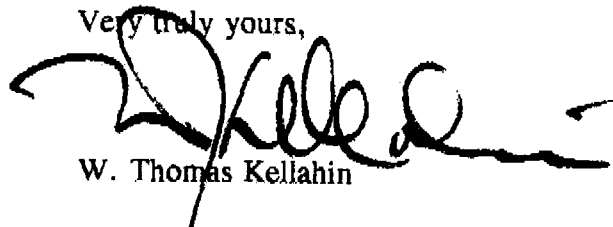
Re: **NMOCD Case 12222**
Application of Mewbourne Oil Company
for Compulsory Pooling, Eddy County, New Mexico

Gentlemen:

In his latest letter to you, Mr. Bruce, on behalf of Mewbourne, abandons his claim that the BLM letter is "definitive" and now asserts that the BLM will make its decision after the Division decides the pooling case. This makes no sense. What is the Division to decide? Are you now to decide the applicability of federal regulation? Are you to go through the process of a compulsory pooling case only to have that matter made moot by the BLM when it exercises its primary jurisdiction over this issue.

We renew our request that the Division continue this compulsory pooling case which will have nothing to do with what is in the best interest of the BLM as lessor when it exercises its primary jurisdiction pursuant to Federal Regulation.

Very truly yours,



W. Thomas Kellahin

ccx: Bureau of Land Management
Attn: Amando Lopez
Mewbourne Oil Company
Attn: James Bruce, Esq.
Matador Petroleum Corporation
Attn: Barry Osborne, Esq.